A MOBILOGRAPHIC STUDY OF CORPORATE PRESIDENTS: CAREER VERSUS CORPORATE LOYALTY AS ALTERNATE ROUTES TO THE TOP

By
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A DISSERTATION PRESENTED TO THE GRADUATE COUNCIL OF THE UNIVERSITY OF FLORIDA IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF DOCTOR OF PHILOSOPHY

UNIVERSITY OF FLORIDA
1971

Dedicated

to

Dr. William V. Wilmot, Jr.

ACKNOWLEDGMENTS

After twenty academic years of education, neither space nor the author's memory permit proper recognition of those who provided him with the tools and opportunities requisite for this undertaking.

This is especially true of the author's supervisory committee: Dr. Curtis, who interrupted his summer break for the author's convenience; Dr. Keig, who has been kind enough to serve a second time; Dr. Blodgett, who unknowingly provided many of the author's most significant hours of learning; Dr. Ray, who was the first to stimulate the author's vocational interest; and Dr. Wilmot, who has been a willing and unlimited source of information, encouragement and assistance.

Lastly, for the author's wife, Debbie, who typed this and every page, who has been asked to give far too much and then gave more, there are not words superlative enough to describe the feelings held.

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Abstract of Dissertation Presented to the Graduate Council of the University of Florida in Partial Fulfillment of the Requirements for the Degree of Doctor of Philosophy

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August, 1971

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Introduction

Based upon the widely held belief that there has been a shift in prime loyalties of managers from the corporation to the career, many writers have argued that inter-corporate mobility among presidents and top executives is widespread and increasing.

Such a development presents management with a twofold problem: first, increases in managerial turnover are disruptive and costly. However, the impact, causes, and prevention of inter-corporate mobility only represent the corporate perspective. And, although this part of the problem area is important, it was not the primary concern of this study.

Primary concern focused upon the other side of the problem area: the manager's viewpoint of the increased turnover. That is, does leveraging appear to have been a common ingredient in the careers of those who have successfully achieved the presidency? The approach to this question involved answering three subordinate questions: how frequently has leveraging been used in the careers of presidents? Has leveraging appeared to help those who have used it? What recent developments in the use of leveraging have occurred?

Hypotheses

Corresponding to the last three questions, three groups of hypotheses were set forth to be evaluated.

Group One Hypotheses: How Frequent is Leveraging?

1) All presidents of the 500 largest, industrial corporations surveyed have leveraged once, and 60 per cent have leveraged twice;

2) Of those presidents who leveraged, less than 5 per cent leveraged after becoming a top officer in a company (e.g., Executive Vice-President, Vice-President, Treasurer, Secretary); and

3) Less than 1 per cent of the presidents surveyed leveraged back to a company with which they were previously associated.

Group Two Hypotheses: Has Leveraging Helped?

1) When compared with those presidents who did not leverage, mobile presidents had a lower average age when made president; and

2) The more frequently presidents have leveraged, the lower their average age was at the time they became president.

Group Three Hypotheses: What Recent Trends Exist?

1) During the 1967 to 1970 period, there has been an increase in the percentage of presidents who have leveraged in their career; and

2) During the 1967 to 1970 period, the widening use of leverage at higher ranks will be indicated by an increasingly larger decline in the average number of years of service presidents have with their firm, when compared with the decline in the average age of presidents at the time they achieved that position.

The Sample

The sample was selected from the presidents of the top 500 industrial corporations as ranked by Fortune on the basis of sales. More specifically, the sample included the following presidents:

1) Those who were president of one of America's largest 500 industrial corporations in 1970, and

2) Those who were made president of such corporations during the 1967 through 1969 period but were subsequently replaced before 1970.

All founders, relatives of founders, and those about

whom data were insufficient were eliminated from consideration. All data on the 456 presidents studied were obtained from corporate directories.

The Results and Conclusions

Each of the seven hypotheses was rejected.

In closing, it was concluded that mobility among the presidents of industrial corporations, though extensive, was not as common as the literature might lead one to believe. On the other hand, however, it was shown that over 30 per cent of all presidents had leveraged at least once after becoming an officer of a company.

CHAPTER I

INTRODUCTION

The Scope of the Problem Area

Overview

Where once career and corporate loyalty seemed mutually compatible,[1] there now appears to be a new emphasis.

> Top-flight executives . . . no longer feel a prime loyalty to the corporation. There is a new set of values at work: loyalty to a discipline or a profession, and to a personal career.[2]

Or, as Jennings has stated:

> The success drive is actually a moral imperative. It is simply imprudent to display too nakedly this intensive drive to mount the corporate heirarchy. The executive learns to conceal this insatiable drive by gearing it to the objectives and purposes of his corporation. Outwardly he is the loyal corporation man. Inwardly he serves this arbitrary drive for personal success.[3]

Thus, there seems to be a shift in prime loyalties from the firm to the career.[4]

The result of this ostensible trend appears to have manifested itself in an increasing rate of turnover among all levels of management. Jennings believes, "The trend is

that by 1970 every president will have leveraged[5] at least once, and 60 percent will have leveraged twice."[6] Harold A. Miller surveyed over 1300 presidents and vice presidents and concluded that mobility is a ". . . significant characteristic of newly-named top management executives. More and more top management positions are going to outsiders."[7]

This managerial turnover, coupled with the extensively reported shortage of capable managers,[8] has presented many firms with the costly problem of additional recruiting and training.[9] And, when dealing with high managerial posts, turnover is even more costly. Admittedly, the present supply of managers exceeds the demand,[10] but all indications point to a managerial-manpower shortage in the future.[11]

The Problem Area

The problem area can be divided into two parts: the first division is the causes, prevention, and impact of the increased use of leveraging by managers. Essentially, this is the problem area as viewed from the corporate perspective. And, although it will be reviewed below, the primary emphasis of this research shall be the second part of the problem area: the manager's viewpoint of the increased turnover and managerial shortage. That is, how can he best pursue his personal career goals: loyalty to the firm or to his career?

Or, are corporate and career loyalty mutually compatible? Are we moving into a new era, the era of the mobicentric manager?[12] Will managers move to the top because of loyalty and long service to the firm? Or, will climbing to the pinnacle of today's modern corporations require managers to become mobicentric?

The Significance of the Problem Area

If industrial management is entering the era of mobicentric managers, there are significant implications for both corporate management in general and individual managers in particular.

Corporate management will be forced to re-evaluate many policy decisions. For example: should non-vested pensions become vested? Should pensions be given portability clauses? Should the board of directors have more outsiders on it to provide continuity? Should decision making be more centralized to minimize the strategic value of managers who may join a competitor?[13] Or, should decision making be less centralized in order to provide managers with greater autonomy, interest and, hopefully, more loyalty?[14]

Beyond these decisions, corporate management will have to pay closer attention to their promotion policies.[15] They

will have to watch fast-moving executives to determine if their performance record is built at a high expense in human cost (e.g., a fast moving executive may use an autocratic style which may result in good short-term performance at the expense of later disruptions--turnover, grievances, or, at extremes, wildcat strikes).[16] Moreover, this illustrative list is no more than a glimpse into a virtual Pandora's box.

For individual managers, the ramifications of the believed increase in mobility could be most significant. Besides the greater effort he will have to devote to this problem, he will have to continuously evaluate his firm's employment strategy. Is his firm resisting the trends by developing and promoting loyal employees? Or, is his firm failing to provide him with opportunities to develop and then hiring "outsiders" to fill positions above him? If the firm utilized the second approach, a previously loyal manager may have to ". . . pyramid experience rather than develop a continuity of experience with one company . . . ."[17] That is, he may have to map out his own career development through strategic job changes.

However, if the mobicentric manager exists only in the speculation of a few writers,[18] then truth should silence the concept.

In summary, the significance of this problem area lies not only in the questions that are in need of answers, but also in the questions that the answers will evoke.

Toward a Solution

Overview

H. J. Heinz, II, has been quoted as asking, "Why write . . . about the American executive? Why not leave the poor guy alone? Hasn't he been overdissected and overanalyzed?"[19]

Admittedly, much has been written about the American executive. However, the implications for individual careers and corporate policy dictate that he be studied to ascertain the nature of the alleged increase of inter-corporate mobility.

A Brief Review of Mobility Research

Studies of upward mobility have proliferated over the last fifty years.

Many of the earlier studies, such as those by Visher,[20] Smith,[21] Schneider,[22] Centers,[23] and Form and Miller,[24] were largely concerned with the relationship between the father's occupation and that of his son. Other inquiries by Fortune,[25] Sibley,[26] Anderson, et al.,[27] and Nelson and Hatt[28] have focused upon the education or intelligence of upwardly mobile

individuals.[29] Schneider[30] and Adams[31] have tied general success to periods of expanding opportunities and to ". . . communities of different chronological age . . .,"[32] respectively.

Beyond these and other,[33] predominately sociological studies, there have been more recent investigations directed specifically at inter-corporate mobility. But, since these reports have centered upon the causes and prevention of executive turnover and have almost entirely ignored the extent of mobility, they will be outlined in Chapter II, "Managerial Turnover: Its Causes, Prevention and Impact upon the Firm."

Of those publications which have extensively studied mobility in business, several will be discussed to facilitate explanation of this study's purpose.

In 1952, a Fortune inquiry was based upon a sample of 900 executives.[34] This study was directed at a wide array of factors including the educational attainment, geographic origins, career channels (e.g., production, finance, marketing, etc.), length of service, and age level of the business leaders. Moreover, the findings presented an aggregate description of inter-corporate mobility among respondents.[35] Unfortunately, no comparison was made between the one-third of the executives who had worked for only one company and the two-thirds who had worked for two or more firms.[36]

Warner and Abegglen published two books[37] in 1955, based upon a massive questionnaire survey of more than 8,500 respondents. The purpose of their study (like that of an earlier investigation by Taussig and Joslyn, American Business Leaders)[38] was to analyze the mobility of business leaders during the course of their career. They examined a wide range of factors such as the socio-economic background of business executives (including the occupations, geographic origins, and education of their parents); the impact of mobility upon changes in status, friendship circles, and the development of new behavior patterns; and the geographic distribution of leaders by region and size of place of birth. That is, these surveys were concerned with the characteristics of those who had moved to the top. However, they did not explore the differences between upward mobility as a result of long, continuous service and upward mobility as a result of inter-corporate mobility.

A fourth, and more germane, study of mobility was Mabel Newcomer's, The Big Business Executive.[39] Like others, she too discusses the executives' origins, their fathers' occupations and income, the leaders' educational background, early positions and principal occupations. However, Newcomer's findings are noteworthy because they indicate that from

1900 to 1950, fewer men (as a percentage of all respondents) were achieving the presidency before age fifty.[40] Moreover, the length of service before becoming president had increased.[41] If those trends are operating today (contrary to the belief of some writers),[42] then career and corporate loyalty would seem mutually compatible.

Contrasting these conclusions is a fifth, and more recently published, study by Professor Eugene E. Jennings, The Mobile Manager: A Study of the New Generation of Top Executives.[43] In 1967, Jennings introduced ". . . the fledgling technique of mobilography."[44] The purpose of mobilography is ". . . to describe the positions through which managers of large industrial corporations pass as they go to the top, and make predictions based upon these descriptive data."[45] That is, "Mobilography is basically concerned with the men who move into the offices of the executive suite and with their career backgrounds."[46]

As such, mobilography addresses itself to many facets of the corporate environment. A few such aspects are as follows:

a) The importance of crucial subordinates upon whom managers must depend;[47]

b) A manager's relationships with those who evaluate, nominate, sponsor, and promote him;[48]

c) The treatment of superiors, peers and subordinates who have had their upward mobility arrested;[49]

d) The relationships between mobility and a host of other factors such as corporate strategy, competency, growth, age, intelligence, etc.;[50] and

e) The manager's use of leverage to maintain his upward mobility.[51]

From his studies, Jennings has concluded that inter-corporate mobility is not only a common occurrence, but that it will become more common in the future.[52] This inter-corporate mobility has been labeled leveraging.

Leveraging occurs when a manager leaves one corporation[53] and joins another.[54] He may leave because ". . . he sees . . . his upward mobility is blocked by a slow moving superior . . . . Or he may leverage because he had made some grave mistakes and he feels he cannot overcome them by any amount of excellent performance."[55] More simply, "He is prepared to leave his corporation if it means he can go higher or faster in another."[56]

Admittedly, these interpretations provide a rather one-sided perspective because they stress only mobility-oriented reasons for managerial termination. Terminations which stem from other sources are ignored. For example: W. F. Breitmayer studied 1500 executives and found that "Most executives who change jobs do so to take on bigger job challenges. What they are chiefly looking for is more responsibility and

broader experience."[57] Most sources confirm Breitmayer's assertion by pointing to some variant of the lack of opportunity for challenge concept as a prime cause of managerial turnover.[58] Other closely related factors include the stockpiling of over-qualified managers because good men are often scarce,[59] rigidly defined jobs which give the manager no leeway for his unique abilities,[60] or the firm's failure to provide managers with an opportunity to develop.[61]

Purpose

This study, however, is not primarily concerned with the reasons for managerial turnover cited above.[62] Instead, primary concern will focus upon the effect of managerial turnover upon the manager's career. That is, the major purpose of this writing is to study the effect leveraging has upon the president's rise to the top, the frequency of leveraging, and the recent trends which seem to exist.

Thus, this investigation will be similar to the Fortune, Newcomer, Jennings, Warner and Abegglen inquiries in that it will study tenure, mobility and some personal characteristics of executives. However, this study differs from previous research in several key respects. First, unlike the Fortune report, an attempt will be made to contrast the characteristics of the mobile managers with their non-mobile counterparts.

Second, the rate of upward mobility of those who utilized inter-corporate job changes will be formally compared with those who do not. Neither Jennings, Newcomer, or Warner and Abegglen performed this analysis. Third, unlike Jennings' previous work, this investigation will utilize a cross-section[63] analysis over a wider sample[64] of presidents. And fourth, this research will have as an ancillary objective the development of a source of data against which future, inter-corporate mobility trends can be measured.

In short, this empirical exploration will go beyond merely looking at the characteristics of top executives. Instead, it will attempt to determine whether career or corporate loyalty has led presidents to that position most rapidly.

Hypotheses

To facilitate examination, the hypotheses can be grouped around the three principal questions of this study: how frequently is leveraging used in a president's career? Does leveraging appear to help managers rise to the top? What recent trends in the use of leveraging exist?

Group One Hypotheses: How Frequent Is Leveraging?

1) All presidents of the 500 largest, industrial corporations[65] surveyed have leveraged once, and 60 per cent have leveraged twice;[66]

2) Of those presidents who leveraged, less than 5 per cent leveraged after becoming a top officer in a company (e.g., Executive Vice-President, Vice-President, Treasurer, Secretary); and

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Presentation Outline

The remainder of this dissertation will be organized into four additional chapters. Chapter II will review the causes, prevention, and impact of managerial turnover from the corporate perspective. Chapter III will discuss the sample studied and the research methodology employed to test the hypotheses. The fourth chapter will present the results of this investigation. Finally, Chapter V will summarize this dissertation, draw those conclusions which seem reasonable in light of the results, and indicate the implications this inquiry holds for further research.

NOTES

[1]William H. Whyte, Jr., The Organization Man (New York: Simon and Schuster, Inc., 1956), pp. 131, 161-62.

[2]Seymour Freedgood, "The Churning Market for Executives," Fortune, Volume 72, Number 3 (September, 1965), p. 152.

[3]N.A., "Why They Want to Get to the Top," Iron Age, Volume 197, Number 8 (February 24, 1966), p. 39. Also see Arch Patton, "The Coming Scramble for Executive Talent," Harvard Business Review, Volume 45, Number 3 (May-June, 1967), p. 156.

[4]This view is also supported elsewhere. See N.A., "More Managers Join the Jobless," Business Week, Number 2125 (May 23, 1970), p. 34. N.A., "Job Hopping Recruits Still Plague Companies," Steel, Volume 164, Number 20 (May 19, 1969), p. 72k. N.A., "Not Enough Chiefs," The Magazine of Wall Street, Volume 121, Number 12 (March 2, 1968), p. 42. Robert C. Albrook, "How to Spot Executives Early," Fortune, Volume 78, Number 1 (July, 1968), p. 106. N.A., "Those Restless Young Executives," Dun's Review, Volume 92, Number 1 (July, 1968), p. 37.

[5]Jennings uses the term 'leverage' to mean the act of changing jobs from one corporation to another. As such, military, health, or educational leaves will not be considered leveraging for the purpose of this paper. Following Jennings, this paper will take the liberty of using leverage as a verb to facilitate presentation and understanding. The term 'President' or 'Chief Executive Officer' will be utilized when referring to the highest line officer who has responsibility for the corporation's operation.

[6]Eugene E. Jennings, The Mobile Manager: A Study of the New Generation of Top Executives (Ann Arbor: Graduate School of Business Administration, The University of Michigan, 1967), p. 24.

[7]Harold A. Miller, "1,300 Presidents and Vice Presidents Who Made It," Business Management, Volume 36, Number 3 (June, 1969), p. 20. Also see N.A., "One-fifth of Top Jobs Go to Outsiders, Survey Finds," Management Services, Volume 4, Number 3 (May-June, 1967), p. 7. N.A., "Those Restless Young Executives," Dun's Review, Volume 92, Number 1 (July, 1968), p. 37. Robert C. Albrook, "Why It's Harder to Keep Good Executives," Fortune, Volume 78, Number 6 (November, 1968), p. 137. George J. Berkwitt, "The Revolt of the Middle Managers," Dun's Review, Volume 94, Number 3 (September, 1969), p. 39. Jaala Weingarten, "How Do You Keep Executives?" Dun's Review and Modern Industry, Volume 88, Number 1 (July, 1966), p. 35.

[8]Arch Patton, op. cit., p. 155. John Perham, "Where Are Tomorrow's Executives?" Dun's Review and Modern Industry, Volume 87, Number 6 (June, 1966), p. 37. "Not Enough Chiefs," op. cit. N.A., "It's Tougher to Find Good Managers," Steel, Volume 157, Number 2 (July 12, 1965), p. 25.

[9]"National surveys estimate the true costs of turnover to a company at . . . $2,000 to $5,000 when changing . . . administrative personnel." Ferdinand F. Fournies, "The Real Reasons People Quit," Administrative Management, Volume 30, Number 10 (October, 1969), p. 45. Also see, "Those Restless Young Executives," op. cit., p. 37.

[10]"More Managers Join the Jobless," op. cit., p. 33. N.A., "More Managers Pound the Bricks," Industry Week, Volume 167, Number 4 (July 27, 1970), p. 11. N.A., "Demand for Managers Dips--But Shouldn't," Iron Age, Volume 205, Number 7 (February 12, 1970), p. 25.

[11]As Feilke recently stated:

> "The management market is flooded today.
> But when the economy bounces back . . . talent will be as scarce as ever. Maybe scarcer.
> By the mid-70's, industry will be hit by a million man shortage in the 35 to 45 age bracket . . . ."

M.F. Feilke, "Women, Women Everywhere, But Not a Manager in Sight," Iron Age, Volume 206, Number 9 (August 27, 1970), p. 63. Or, as John Dunlop feels:

> . . . we face a decade in which there will be a great growth of young men (20 to 34) in the labor force--but very keen competition is likely to develop for men in the age group over 35. That should have very

> important reprecussions in managerial . . . types of jobs.

John T. Dunlop, "The Nation's Manpower Arrangements," The Conference Board Record, Volume 7, Number 3 (March, 1970), p. 28. Also see, Salvatore V. Didato, "Some Reminders About Selecting Good Managers," Personnel Journal, Volume 49, Number 6 (June, 1970), p. 489. N.A., "Management Crunch: 'The Dearth of Births'," Sales Management, Volume 98, Number 10 (May 15, 1970), p. 102. "More Managers Pound the Bricks," op. cit. "Demand for Managers Dips--But Shouldn't," op. cit.

[12]Eugene E. Jennings, op. cit., pp. 24-5. Jennings uses the term mobicentric manager to refer to those managers who strive to stay mobile, always moving up the corporate hierarchy in one industrial corporation or another. Their loyalty is to their career not to the corporation they presently happen to be associated with.

[13]Thomas J. Murray, "The Case of the Disloyal Executive," Dun's Review, Volume 90, Number 6 (December, 1967), p. 37.

[14]Hyman W. Porter and Edward E. Lawler, III, "The Effects of 'Tall' Versus 'Flat' Organization Structures on Managerial Job Satisfaction," Personnel Psychology, Volume 17, Number 2 (Summer, 1964), pp. 135-48.

[15]Theron F. Miller, "How to Slow the Turnover Flow," Personnel Journal, Volume 47, Number 5 (May, 1968), pp. 321-22. N.A., "Recruiter Gives Methods to Forestall Executive Loss," Management Services, Volume 5, Number 2 (March-April, 1968), p. 9. Edward E. Lawler, III, "How Long Should a Manager Stay in the Same Job?" Personnel Administration, Volume 27, Number 5 (September-October, 1964), p. 27. N.A., "The Reasons Top Executives Change Jobs," Nation's Business, Volume 56, Number 2 (February, 1968), p. 84.

[16]Likert has said:

> . . . managers usually experience rewards and promotions for achieving high production and low costs over the short run rather than the long run. Moreover, since many managers are transferred after about two years, their attention is focused primarily on short run results. Given these conditions . . ., putting pressure to increase production on a well-established organization engaged in work for

> which performance standards can be set can yield substantial and immediate increases in productivity. This increase is obtained, however, at a cost to the human assets of the organization.

Rensis Likert, New Patterns of Management (New York: McGraw-Hill Book Company, Inc., 1961), pp. 69, 71. Also see C. Argyris, "Research Trends in Executive Behavior," Advanced Management, Volume 21, Number 3 (March, 1956), p. 7.

[17]"Job Hopping Recruits Still Plague Companies," op. cit.

[18]N.A., "The Best Route to the Top," Iron Age, Volume 200, Number 15 (October 12, 1967), p. 25.

[19]Osborn Elliott, Men at the Top (New York: Harper and Brothers, 1959), p. ix.

[20]Stephen S. Visher, "A Study of the Type of the Place of Birth and the Occupation of Fathers of Subjects of Sketches in 'Who's Who in America'." The American Journal of Sociology, Volume 30, Number 5 (March, 1925), pp. 551-557.

[21]Mapheus Smith, "Occupational Mobility of Notable Persons," Sociology and Social Research, Volume 23, Number 4 (July-August, 1939), pp. 503-513.

[22]Joseph Schneider, "Social Origin and Fame: The United States and England," American Sociological Review, Volume 10, Number 1 (February, 1945), pp. 52-60.

[23]Richard Centers, "Occupational Mobility of Urban Occupational Strata," American Sociological Review, Volume 13, Number 2 (April, 1948), pp. 197-203.

[24]William H. Form and Delbert C. Miller, "Occupational Career Patterns as a Sociolcgical Instrument," The American Journal of Sociology, Volume 54, Number 4 (January, 1949), pp. 317-29.

[25]N.A., "The 30,000 Managers," Fortune, Volume 21, Number 2 (February, 1940), pp. 58-62, 106, 108, 111.

[26]Elbridge Sibley, "Some Demographic Clues to Stratification," American Sociological Review, Volume 7, Number 3 (June, 1942), pp. 322-30.

[27]C. Arnold Anderson et al., "Intelligence and Occupational Mobility," The Journal of Political Economy, Volume 60, Number 3 (June, 1952), pp. 218-30.

[28]Nelson N. Foote and Paul K. Hatt, "Social Mobility and Economic Advancement," American Economic Review, Volume 43, Number 2 (May, 1953), pp. 364-78.

[29]Carson McGuire, "Social Stratification and Mobility Patterns," American Sociological Review, Volume 15, Number 2 (April, 1950), pp. 195-204.

[30]Joseph Schneider, "Social Class, Historical Circumstances and Fame," The American Journal of Sociology, Volume 43, Number 1 (July, 1937), pp. 37-56.

[31]Stuart Adams, "Regional Differences in Vertical Mobility in a High Status Occupation," American Sociological Review, Volume 15, Number 2 (April, 1950), pp. 229-34.

[32]Ibid., p. 229.

[33]Gideon Sjoberg, "Are Social Classes in America Becoming More Rigid?" American Sociological Review, Volume 16, Number 6 (December, 1951), pp. 775-83. Also see Louis I. Dublin and Robert J. Vane, Jr., "Shifting of Occupations Among Wage Earners as Determined by the History of Industrial Policyholders," Monthly Labor Review, Volume 18, Number 4 (April, 1924), pp. 732-42.

[34]N.A., "The Nine Hundred," Fortune, Volume 46, Number 5 (November, 1952), pp. 132-35.

[35]Ibid., p. 232.

[36]Ibid.

[37]W. Lloyd Warner and James C. Abegglen, Occupational Mobility in American Business and Industry, Minneapolis: The University of Minnesota, 1955. And, W. Lloyd Warner and James C. Abegglen, Big Business Leaders in America, New York: Harper & Brothers, 1955.

[38]F.W. Taussig and C.S. Joslyn, American Business Leaders, New York: The Macmillan Company, 1932.

[39]Mabel Newcomer, The Big Business Executive, New York: Columbia University Press, 1955.

[40]In 1900, 59.9% of those studied achieved the presidency before age fifty as opposed to 59.0% in 1925 and 45.6% in 1950. Ibid., p. 111.

[41]In 1900, 90.8% of those studied achieved the presidency before obtaining twenty years of service with the firm. In 1925 and 1950, only 76.1% and 58.8%, respectively, had obtained the rank of presidents before having twenty years experience with their firm. Ibid. p. 96.

[42]See footnotes 2, 3, 4, and 6.

[43]Eugene E. Jennings, op. cit.

[44]Ibid., p. vii.

[45]Ibid.

[46]Ibid., p. 6.

[47]Ibid., pp. 43-55.

[48]Ibid., pp. 36-43.

[49]Ibid., pp. 71-93.

[50]Ibid., pp. 10-23.

[51]Ibid., pp. 23-24.

[52]Ibid., p. 24.

[53]The term corporation or firm shall be employed throughout this writing instead of the more general term, organization. Although it seems reasonable to assume, a priori, that most (if not all) of Jennings' findings would apply to any formal organization (e.g., the Armed forces, hospitals, etc.), his research has been limited to industrial corporations.

[54]Eugene E. Jennings, op. cit., p. 23.

[55]Ibid.

[56]Ibid., p. 104.

[57]N.A., "Why Do Managers Change Jobs?" Iron Age, Volume 198, Number 1 (July 7, 1966), p. 43.

[58]"How to Spot Executives Early," op. cit. S.H. Hockenberry, "Unscrupulous Job Counselors Lure Many Executives," Iron Age, Volume 205, Number 3 (January 15, 1970), p. 61. Miller, op. cit. "The Real Reasons Top Executives Change Jobs," op. cit. "Those Restless Young Executives," op. cit.

[59]N.A., "Why Good Managers Decide to Quit," Iron Age, Volume 202, Number 15 (October 10, 1968), p. 23.

[60]"Recruiter Gives Methods to Forestall Executive Loss," op. cit.

[61]Miller, op. cit., p. 321.

[62]Managerial Turnover: Its Causes, Prevention, and Impact upon the Firm will be reviewed in Chapter II.

[63]Eugene E. Jennings, op. cit.

[64]Jennings' work was ". . . based upon 1,500 managers and executives selected from 500 large industrial firms and 230 presidents who held office during the sixteen years over which this study was made." Jennings, op. cit., p. vii.

[65]The top 500 industrial corporations were based upon the Fortune classification. Eleanore Carruth "The Fortune Directory of the 500 Largest Industrial Corporations," Fortune, Volume 81, Number 5 (May, 1970), pp. 181-200.

[66]This hypothesis is a test of an assertion made by Jennings in his book The Mobile Manager: A Study of the New Generation of Top Executives, op. cit., p. 24.

CHAPTER II

MANAGERIAL TURNOVER: ITS CAUSES, PREVENTION, AND IMPACT UPON THE FIRM

Introduction

As indicated in Chapter I, managerial turnover is a two-sided problem: first, inter-corporate mobility may present individual managers with an alternative to careers based exclusively upon organization loyalty. In fact, with the widely acknowledged increase in mobility,[1] the prudent use of leveraging may be necessary if a manager is to pursue his career goals to the fullest extent possible.[2] Quite obviously, this side of the problem may hold significant implications for individual careers.

The other side of the problem area deals with the organizational implications. Namely, what impact does inter-corporate mobility have upon the firm? What causes turnover? How can it be prevented or lessened?

The purpose of Chapter II will be to discuss these three questions from the corporate viewpoint. In doing so, this chapter studied the turnover problem facing business organizations in general and not the top 500 companies in particular.

The Impact of Managerial Turnover upon the Firm

An Evolving Development

In 1956, William H. Whyte stated in his book, The Organization Man, that:

> For the executive of the future, trainees say, the problem of company loyalty shouldn't be a problem at all. Almost every older executive you talk to has some private qualifications about his fealty to the company; in contrast, the average young man cherishes the idea that his relationship with The Organization is to be for keeps.
>
> Once upon a time it was conventional for young men to view the group life of the big corporation as one of its principal disadvantages. Today, they see it as a positive boon.[3]

However, by the middle part of the 1960s, this attitude apparently had changed: individuals no longer appeared to cherish the idea that their ". . . relationship with The Organization is to be for keeps."[4] To the contrary, "The mobicentric man values motion and action . . . because they are change, and change is his ultimate value."[5] Furthermore, "He undergirds the entire economic structure--and is producing men like himself."[6]

This is not to say that the mobicentric manager is the rule and the organization man the exception. However, the literature does indicate that the former is becoming increasingly more common than in the past. To illustrate:

a) A 1959, Fortune survey of 1700 executives revealed that an ". . . overwhelming number were chosen to fill their present jobs by promotion from within--only 13 per cent . . . said they were hired from outside . . . ."[7]

b) A 1963 article asserted that ". . . one out of eight newly appointed chief executive officers comes from the outside . . . ."[8]

c) However, a study conducted just four years later revealed that "Nearly one out of five top management promotions went to a corporate newcomer during 1967 . . . ."[9]

d) And, in 1970,--just three years later--forty per cent of the ". . . men who become president do so after joining the corporation at a high level rather than after working their way up through the ranks of one company."[10]

If correct, these citations indicate that inter-corporate mobility has been increasing over the last few years. Moreover, this evolving development has had a significant impact upon American industry in the past, and it appears likely that it will continue to do so in the immediate future.

The Past Impact

> Although it cannot be shown in dollars and cents on a profit-and-loss statement, turnover at the executive level is without doubt one of the most costly hidden items borne by the modern corporation.[11]

And this belief was put forth before the widely publicized increases in turnover associated with the last five years.

More recently, Stull estimated that managerial turnover costs American industry over 100 million dollars annually.[12] Mason supported this conclusion and added to it:

> About 100,000 middle- and upper- management executives will change jobs this year.
>
> The direct cost of each such change averages some $1,000, so job switches add approximately $100 million a year to business overhead. To this must be added the cost of disruptions caused by departures of experienced men and the indirect costs of finding replacements for them.[13]

Others estimate ". . . the true costs of turnover to a company at . . . $2,000 to $5,000 when changing . . . administrative personnel,"[14] and ". . . roughly a half-million middle managers switch jobs every year . . . ."[15] If all the costs of on-the-job training and lost productivity were known, even this $2,000 to $5,000 estimate might prove to be unrealistically conservative. For example: one survey found that ". . . the task of keeping a full and efficient team on the job . . ."[16] required top executives to spend ". . . as much as 30% of their time doing just this."[17]

A 1968, Fortune survey on the impact turnover has had upon corporations revealed the following:

> . . . 31 per cent of the responding companies cited 'high recruiting and training costs as the most serious result.' This was followed by 'loss of scarce executive talent,' 24 per cent;

> 'difficulty in filling openings,' 18 per cent; 'dilution of average staff experience,' 16 per cent; and 'disruption of group projects,' 11 per cent. Although invited to do so, almost none of the companies listed benefits from turnover.[18]

Lastly, it seems reasonable to argue that this expensive and disruptive development will continue into the immediate future.

The Future Impact

The bases for asserting that managerial turnover will persist in the immediate future are the following three points:

First, it is a widely acknowledged demographic fact that the low birthrates of the 1930's have already resulted in a decline in the prime source of middle managers: males in the 35 to 45 age bracket.[19] Moreover, this group ". . . will not regain its 1963 peak until 1979. Indeed, the number of men in this age bracket will have dropped by more than 1 million (8% below the 1963 level) by the time it hits bottom in 1974."[20]

Second, coupled with the decreasing supply will be an increasing demand: "It is expected that by 1975, there will be 90 million persons in the work force and we will need three million additional men to assume managerial roles among them."[21] In short, "By 1975, the managerial shortage will be much more serious than our shortage of other

industrial specialists (engineers, scientists, etc.)."[22]

"Aptly, the famine is called the Middle Management Gap."[23]

Third, concurrent with the decreasing supply of potential executives there seems to have been a fundamental shift in loyalties. In the words of one placement specialist:

> The modern concept of management being a profession in and of itself, which has been fostered by the business schools, is one cause of job switching. For under this concept a man has more loyalty to his profession, that of being an executive, than to his company.[24]

Whatever the reason for this shift, ". . . organizational loyalty in its old form plainly is dead, and it is not likely to be revived . . ." in the foreseeable future.[25]

Summary

Thus, ". . . we face a decade in which . . . very keen competition is likely to develop for men in the age group over 35."[26] And, in the presence of such competition, old organization loyalties appear to be fading. Therefore, it seems reasonable to conclude that high levels of corporate turnover will persist with all the attending costs and disruptions.

The Causes of Managerial Turnover

Although the causes of turnover are probably as numerous as the individuals who change jobs, attention will focus upon the more commonly cited reasons.

Opportunity for Future Growth

The most frequently mentioned motive is the desire to hold positions which provide the manager with an opportunity for future growth. Included here are such variants as a hunger for greater responsibility, a need for bigger challenges, a wish for increased job relevancy, and the like. Furthermore, these conclusions are supported by empirical field research[27] in addition to sounding likely on an *a priori* basis:

> . . . most American executives are ambitious. If they feel that the company they are with, for some reason or other, isn't going to afford them the opportunity to move up, they are inclined to look around or be receptive to discussions with other companies.[28]

Admittedly,

> . . . the problem may not be as much the lack of opportunity as management's failure to make it known. In many instances, subordinates insist that they need wider powers when actually they have all the authority they need . . . .[29]

However, the actual opportunity in any job is wholly irrelevant if it is not perceived by the individual. Obviously,

it is management's duty to communicate.

Therefore, whether "slow promotion in the present spot,"[30] rigidly defined jobs,[31] lack of interest,[32] lack of responsibility,[33] insufficient challenge,[34] or the like are offered as reasons for managerial turnover, they all seem to revolve around the desire for an opportunity to grow.

The Need for Recognition

Closely allied to the demand for growth is the need for recognition. The individual wants to be told ". . . how important his work is, or how needed he is, or how valuable he is to the organization."[35] This need is emphasized clearly by one study: ". . . middle and lower level managers tended to describe their jobs as of lower status and interest the longer they were in their jobs."[36] One possible explanation offered was that ". . . individuals who remain in the same job may feel they are being overlooked as far as promotion is concerned and thus developed negative job attitudes."[37]

Obviously, it is not possible to promote everyone in an organization as rapidly as they would like. But, it is possible to minimize negative job attitudes by increasing the office holder's interest through other forms of recognition (e.g., a larger office, pay increases, etc.).

Remuneration

> Money is listed third because it generally is number three in importance as a reason for . . . resignations.[38]

However, this ranking does not fully appreciate the complexity of money as a cause of turnover: not only must the rate of pay ". . . be competitive with the rate that same talent could get in another organization . . .,"[39] but "Unfair handling of salaries can be as big a headache as under paying."[40]

As the placement director at U.C.L.A. said:

> Twenty-five years ago, a person who did not go into business relegated himself and his family to second-class economic status.[41]

However, today there are other alternatives such as government or education. Moreover, couple such opportunities with the mobility exhibited in this country, and it is clear that to be competitive means American business must look at more than the remuneration paid in its community or industry.

Even when the financial package is competitive, salaries must be equitably related throughout the organization:

> Not that the competitive aspects of salary are to be discounted, of course. But to many executives, the differences in pay scales between companies . . . are not nearly as important as the . . . pay levels of their own associates.[42]

This additional complexity enters in because of the symbolic value of money:

> For these men money has great significance as an indication of what their superiors think of their contribution . . . .[43]

Operational Conflicts

Beyond the opportunities for growth, the need for recognition and remuneration, there exists a whole range of problems which may arise from the day-to-day operation of the company.

Personality conflicts (when not used as an excuse or rationalization for some other source of conflict) are probably an unavoidable source of turnover.[44] Similiarly, continually inconsiderate management (e.g., transferring an executive rather than spreading the burden) may lead to turnover.[45]

Other sources of displeasure, which might cause job switching, may result unintentionally from the operation of the company. Such sources as the following have been mentioned: inadequate budgets;[46] disagreement with policies;[47] differences of philosophy;[48] and numerous symbolic factors like the thickness of carpets, size of offices, number of windows, etc.[49]

Pure Mobility

Pure mobility, or moving for the sake of moving, appears to be a recent development.

> Professor Jennings may be the first to have spotted this more fundamental drive that makes today's ablest corporate managers tick. Interviews with hundreds of managers at all levels have convinced him that movement is no longer a means to an end but an end in itself.[50]

That is, ". . . it is not power or money or position, but getting positions and leaving positions that counts. This is one reason why the leverage rate has increased drastically in the past ten years."[51] Therefore, this cause of turnover does not seem organizationally based. Instead it appears to be culturally embedded. Albrook explains this development as follows:

> By . . . the Korean war, the . . . growth of technology and the . . . economy had begun to generate a huge demand for managers and professional men with up-to-date education and skills. At the same time, low depression birth rates began to show up in a shortage of college graduates and later in a steady shrinkage in the age group that provides young managers. In a sellers' market, mobility became easier and safer.
> Better-educated managers had higher estimates of their own abilities and expectations of opportunities and rewards that seemed brash to . . . older . . . executives. When the new management breed confronted old-time middle managers, who had learned their profession the hard way and been reared on the virtues of patience and corporate loyalty, the clash of values

> produced more turnover. Older men left in a huff when they saw younger men took off when they encountered a slow-moving superior whom they could neither bypass, dislodge, nor respect.[52]

Summary

It appears, therefore, that the primary causes of turnover arise from two broad sources: from recent changes in society and from the nature of some business organizations themselves.

Measures aimed at reducing turnover will be presented below.

Preventing Turnover

Unlike the previous section, attention will focus upon not only those concepts commonly offered to prevent or lessen managerial turnover but also upon those measures which, because of their uncommon nature, might inject new life into programs aimed at reducing this turnover.

Organizationally, the following discussion will treat causes of turnover which arise from both business organizations and society. Emphasis will be placed on the former since, obviously, there is quite little individual organizations can do to lessen turnover of the latter type.

Toward Reducing Business Generated Turnover

Most suggestions aimed at reducing turnover primarily concentrate on a range of problem areas which parallel the range of causes associated with turnover.

Providing recognition and an opportunity for growth

> In many companies, up to 50 percent of college graduates recruited as potential managers quit within five years . . . . Those who resign usually blame 'lack of opportunity.' This can mean no more than a failure of the company to demonstrate a serious early interest in their potential.[53]

As a result, "Graduates . . . are developing their own training programs by making several job transfers in the early years of their careers."[54]

The point that stands out is the need for a training program which provides development for executives while using the individual's potential. Failing to find such a program, some firms have eliminated or shortened training programs in hopes of reducing turnover.[55]

A realistic approach along these lines is one adopted by American Telephone and Telegraph Company, Inc. (A.T. & T.).

> A.T. & T. trainees are now sent out into the field as assistants to district managers or superintendents who may supervise as many as 300 or 400 people. The trainees . . . are assigned to tasks that the manager would otherwise have to do himself, jobs that encourage a lot of self-development and can be measured.[56]

On the executive level, E.I. duPont's executive development programs ". . . have discreet provisions for easing certain personnel into positions where they are less likely to collide with able executives on their way up."[57] It is argued further that "Knowing . . . there will be no long-tenure human obstacles in the way of promotion encourages capable executives to stay."[58] It encourages them to stay not only because of the opportunities that would exist but also because, while these individuals are getting promotions, they are receiving recognition. Therefore, the A.T. & T. and duPont approaches seem to be an improvement over "The pat answer . . . that the executive is responsible for developing himself."[59] Moreover, it avoids situations such as ". . . exceedingly capable executives on the secondary level of management . . . sweating out for five to seven years the retirement of senior executives who have long since lost their full effectiveness."[60]

Underlying these approaches must be a complete commitment to hire from within when sufficient talent exists.

Beyond this, it also is recommended that firms "Give proper publicity to . . . personnel for their inventions, patents, publications . . ."[61] and other efforts.

Remuneration

Compensation plans can be a significant source of turnover at all levels in the organization. However, if the firm's compensation package (including incentives and fringe benefits) is competitive and equitable, managerial losses to other firms for financial reasons will be minimal and probably not significant enough to justify active concern.

Communications

> . . . while profit incentive and frequent promotions remain major lures, most personnel authorities still feel that lack of communication remains the most significant reason for executive unrest.[62]

As pointed out in the second part of this chapter, it is management's responsibility to communicate. A firm with extensive benefits, opportunities and the like may face high levels of turnover simply because these aspects have not been properly communicated throughout the organization.

Aside from company bulletin boards, newspapers, and wide circulation of all but the most confidential memos, the sincere and periodic use of performance appraisals probably represents the most ideal means by which top management can effectively communicate objectives throughout the organization.

Lastly, it is hard to disagree with Flarshiem's assertion that "An open door to top management is the No. 1 element to get and retain top personnel in a company."[63]

Psychic income

To appeal to some executives, ". . . more and more companies today are offering what psychologists would call 'psychic income'--in other words, the plain, old-fashioned status symbol."[64] Two factors are contributory to the increased popularity of this preventive technique. First, items with psychic value such as carpeting, office size, and company cars "show." And, since they are more visible than some marginal wage increase, they enhance status.[65] Second, ". . . in this affluent society, immediate rewards often take a back seat to such intangibles as psychic satisfaction in the job . . . ."[66] That is, top executives of major American firms, already receiving some of the largest salaries in the world, probably have little need for the after tax increase a monetary raise would yield.

Leadership and the decision-making process

The more democratic the organization, ceteris paribus, the lower turnover is apt to be.

> Most companies feel that a management that allows a judicious amount of individual decision-

> making and easy communication between subordinates and superiors will fare better, and have less turnover, than one that rules autocratically.[67]

More specifically, a procedure used at the Detroit Edison Company was aimed at letting middle management share in the goal-setting process.[68]

> The executives are invited not only to set their own long-range work goals but to formulate policies to that end--subject, of course, to company approval. The program is likely to weed out the indecisive, less aggressive individuals, while giving the more assured and assertive executives the feeling that they participate in company decisions.[69]

Locking in executives

> A good many large companies try to lock in their executive with an old management standby: a supposedly defection-proof array of salaries, pensions, benefits and stock options.[70]

However, the problem with such an approach is that the cure, if effective at all, may be far worse than the ailment: first, ". . . none of the lures can guarantee executive retention since most companies have them."[71] Second, ". . . if the fences are high enough to corral men of exceptional value for a time, they are almost certain to lock in mediocre men for life. Soon second-raters clog the channels of advancement. Blocked, abler men below start polishing up

their resumes."[72] In the long run, the costs associated with this technique may be too high.

Summary

The underlying basis for all the above procedures--except the last--is good human relations: treat individuals as individuals; treat them fair; trust them; provide them with responsibility, recognition, and a future in which they can grow. In short, "'Identify prospects early, overload them, watch them and reward them.'"[73]

Toward Reducing Culturally Generated Turnover

The methods presented above concentrate on correcting probable deficiencies in organizations or locking in executives by making their financial arrangements so appealing they could not foresake them for another employer.

Here the orientation changes: concern will focus upon what firms can do to minimize the unfavorable aspects connected with the mobicentric man--one who views mobility as an end in itself.[74] But, since mobicentric managers appear to have emerged largely as a result of cultural changes, there is little individual companies can do. As Albrook reasons:

> . . . it is difficult or impossible for a company to find any useful or consistent pattern of motives, and not a few industrial psychologists doubt that individuals themselves

> can sort out and objectively report their reasons for job switching. It seems possible that in many cases these motives are only the shifting and changing facets of a larger feeling that taking on a new job, mastering it, and moving on to another is itself a hallmark of success and growing competence. The other rewards have become fringe benefits or mere symbols of the central essential accomplishment.[75]

Adjusting to the mobicentric

If Albrook's reasoning is accepted, then it appears companies have three options:

1) Tolerate the mobicentric manager;

2) Where possible, avoid employing individuals whose records indicate high levels of mobility; or

3) Attempt to use such individuals successfully.

Tolerating the mobicentric.--Tolerating or coping with such individuals hardly seems constructive. It is decision-making by indecision; and it does not seem to be the best alternative.

Avoiding mobicentrics.--Avoiding mobicentrics is, at least, a conscious decision. However, such an ostrich-like approach would not be an effective decision: first, the increase in mobility coupled with the decline in the 35 to 45 age population would limit the firm's staffing options. Second, avoiding potential mobicentrics may be impossible

since it may not be possible to determine who they are (e.g., new college recruits). Third, this approach views mobicentrics as a problem rather than a challenge.

The use of mobicentrics.--By accepting Albrook's analysis of the mobicentric individual and the view the mobicentrics represent a challenge--rather than a problem, it may be possible to successfully employ them for long time periods.

One possibility that might have appeal to the mobicentric is as follows:

> 'Top management in general doesn't seem to realize . . . that entrepreneurial companies are more attractive and seem more rewarding to managers than custodial types.'
> In the years ahead, . . . large companies may find it necessary to break themselves up . . . into smaller, separate pieces, each of which would be run as an independent company.[76]

To this, one president added that

> '. . . the only way small companies can survive in the future is to operate in an association as satellites surrounding a larger company.' It does not take too much imagination to push that idea one step further and suggest that perhaps the only way for the large company to survive is to create the satellites.[77]

Moreover, in the present context, it takes even less imagination to envision such planet/satellite arrangements with a common managerial pool. Extended even further, one could visualize ". . . the exchange of middle managers from

government and industry . . . ."[78] Or, exchanges between different firms might be possible, even desirable.

If, instead, organizations grow larger and/or exchanges of personnel between corporations, industries, and/or government cannot be arranged, personnel departments might be able to retain mobicentric individuals by using intra-corporate competition (between independent units) to simulate the inter-corporate job market. In this way, mobicentrics could maintain their high levels of vertical, lateral, and geographic mobility while at the same time the corporation would have lowered its turnover and recruitment efforts.

Failing to establish a managerial pool or an in-house mobility network, companies would most likely be forced to either tolerate mobicentrics or avoid hiring them: in the first case, turnover would remain high and probably increase. In the second situation, the firm would be limiting the source of future recruits.

Summary

The problem area of inter-corporate mobility can be viewed from two sides. First, there is the individual's perspective: does leveraging appear to be useful or hindering? Second, there is an organization perspective: what

impact does leveraging have upon the firm? What causes it? How can it be prevented or lessened?

This chapter has focused upon the organizational viewpoint. Specifically, it was pointed out that the true impact on the firm cannot be accurately measured although it is generally agreed that managerial turnover is very costly. Second, several causes of turnover were discussed. These included lack of opportunity for growth, lack of recognition, remuneration, operational conflicts, and pure mobility. Lastly, based upon these causes, several commonly recognized approaches to prevent turnover were pointed out. Providing opportunities for growth and recognition, competitive and equitable remuneration, open communications, psychic income, good leadership, locking executives in, and adjusting to mobicentric individuals were the techniques mentioned.

The following chapters will focus primarily on the individual's viewpoint.

NOTES

[1]Harold A. Miller, "1,300 Presidents and Vice Presidents Who Made It," Business Management, Volume 36, Number 3 (June, 1969), p. 20. N.A., "One-fifth of Jobs Go to Outsiders, Survey Finds," Management Services, Volume 4, Number 3 (May-June, 1967), p. 7. N.A., "Those Restless Young Executives," Dun's Review, Volume 92, Number 1 (July, 1968), p. 37. Robert C. Albrook, "Why It's Harder to Keep Good Executives," Fortune, Volume 78, Number 6 (November, 1968), p. 137.

[2]Eugene E. Jennings, The Mobile Manager: A Study of the New Generation of Top Executives, (Ann Arbor: Graduate School of Business Administration, The University of Michigan, 1967), p. 24. Or, Albrook, op. cit.

[3]William H. Whyte, Jr., The Organization Man, (New York: Simon and Schuster, Inc., 1956), p. 131.

[4]Ibid.

[5]Eugene E. Jennings, "Mobicentric Man," Psychology Today, Volume 4, Number 2 (July, 1970), p. 35.

[6]Albrook, op. cit., p. 138.

[7]N.A., "1700 Top Executives," Fortune, Volume 60, Number 6 (November, 1959), p. 140.

[8]Judith Dolgins, "A Good Man Is Hard to Keep," Dun's Review and Modern Industry, Volume 81, Number 5 (May, 1963), p. 64.

[9]"One-fifth of Top Jobs Go to Outsiders, Survey Finds," op. cit.

[10]Jennings, "Mobicentric Man," op. cit., p. 70.

[11]Dolgins, op. cit., p. 63.

[12]Richard Allen Stull, "Manpower Planning at the Management Level," Personnel Journal, Volume 46, Number 6 (June, 1967), p. 348.

[13]Joseph G. Mason, "How to Keep Key Executives," Nation's Business, Volume 54, Number 8 (August, 1966), p. 75.

[14]Ferdinand F. Fournies, "The Real Reasons People Quit," Administrative Management, Volume 30, Number 10 (October, 1969), p. 45.

[15]Jaala Weingarten, "How Do You Keep Executives?" Dun's Review and Modern Industry, Volume 88, Number 1 (July, 1966), p. 35.

[16]Dolgins, op. cit.

[17]Ibid.

[18]Albrook, op. cit., p. 176. Also see, Fournies, op. cit., p. 45.

[19]For example see, Arch Patton, "The Coming Scramble for Executive Talent," Harvard Business Review, Volume 45, Number 3 (May-June, 1967), pp. 155-56, 159. Salvatore V. Didato, "Some Reminders About Selecting Good Managers," Personnel Journal, Volume 49, Number 6 (June, 1970), p. 489-91. John Perham, "Where Are Tomorrow's Executives?" Dun's Review and Modern Industry, Volume 87, Number 6 (June, 1966), p. 91. John T. Dunlop, "The Nation's Manpower Arrangements," The Conference Board Record, Volume 7, Number 3 (March, 1970), p. 28. M.F. Feilke, "Women, Women Everywhere, But Not a Manager in Sight," Iron Age, Volume 206, Number 9 (August 27, 1970), p. 63. N.A., "Management Crunch: 'The Dearth of Births,'" Sales Management, Volume 98, Number 10 (May 15, 1970), p. 102. N.A., "Demand for Managers Dips--But Shouldn't," Iron Age, Volume 205, Number 7 (February 12, 1970), p. 25. N.A., "Not Enough Chiefs," The Magazine of Wall Street, Volume 121, Number 12 (March 2, 1968), p. 42.

[20]Patton, op. cit., p. 156.

[21]Didato, op. cit., p. 489.

[22]Ibid.

[23]Feilke, op. cit., p. 63.

[24]Dolgins, op. cit., p. 64.

[25]Albrook, op. cit., p. 180.

[26]Dunlop, op. cit., p. 28.

[27]See, for example, the following: Mason, op. cit. Perham, op. cit. p. 91. Weingarten, op. cit., p. 35.

[28]N.A., "The Reasons Top Executives Change Jobs," Nation's Business, Volume 56, Number 2 (February, 1968), p. 84.

[29]Mason, op. cit.

[30]N.A., "Recruiter Gives Methods to Forestall Executive Loss," Management Services, Volume 5, Number 2 (March-April, 1968), p. 9.

[31]Ibid.

[32]Fournies, op. cit. p. 46.

[33]Dolgins, op. cit.

[34]"Those Restless Young Executives," op. cit., p. 38.

[35]Fournies, op. cit., p. 45.

[36]Edward E. Lawler, "How Long Should a Manager Stay in the Same Job?" Personnel Administration, Volume 27, Number 5 (September-October, 1964), pp. 7-8.

[37]Ibid., p. 27.

[38]Fournies, op. cit., p. 46.

[39]Ibid.

[40]Ibid.

[41]"Those Restless Young Executives," op. cit., p. 39.

[42]Dolgins, op. cit., p. 116.

[43]Ibid.

[44]Fournies, op. cit.

[45]"Recruiter Gives Methods to Forestall Executive Loss," op. cit.

[46]Mason, op. cit. Dolgins, op. cit., p. 64.

[47]Mason, op. cit.

[48]George J. Berkwitt, "The Revolt of the Middle Managers," Dun's Review, Volume 94, Number 3 (September, 1969), p. 40.

[49]Weingarten, op. cit., p. 36.

[50]Albrook, op. cit., p. 139.

[51]Jennings, The Mobile Manager: A Study of the New Generation of Top Executives, p. 25.

[52]Albrook, op. cit.

[53]Robert C. Albrook, "How to Spot Executives Early," Fortune, Volume 78, Number 1 (July, 1968), p. 106.

[54]N.A., "Job Hopping Recruits Still Plague Companies," Steel, Volume 164, Number 20 (May 19, 1969), p. 72k.

[55]"Those Restless Young Executives," op. cit., p. 38.

[56]Ibid., pp. 38-39.

[57]Weingarten, op. cit. p. 35.

[58]Ibid.

[59]Dolgins, op. cit.

[60]Ibid.

[61]Theron F. Miller, "How to Slow the Turnover Flow," Personnel Journal, Volume 47, Number 5 (May, 1968), p. 322.

[62]Weingarten, op. cit. p. 36.

[63]Henry Flarshiem, "How Do You Motivate and Hold on to Your Best Executives?" Sales Management, Volume 97, Number 14 (December 15, 1966), p. 50.

[64]Weingarten, op. cit.

[65]Ibid.

[66]"Those Restless Young Executives," op. cit., p. 37.

[67]Weingarten, op. cit., p. 59.

[68]Ibid., p. 36.

[69]Ibid.

[70]Ibid., p. 59.

[71]Ibid.

[72]Albrook, "Why It's Harder to Keep Good Executives," op. cit., p. 137.

[73]Perham, op. cit., p. 93.

[74]Albrook, "Why It's Harder to Keep Good Executives," op. cit., p. 139.

[75]Ibid.

[76]Berkwitt, op. cit., p. 41.

[77]Ibid.

[78]Albrook, "Why It's Harder to Keep Good Executives," op. cit., p. 180.

CHAPTER III

METHODOLOGY

Introduction

In Chapter III, the primary purpose will be to describe the sample and methodology used in this mobilographic study.

The Sample

The sample was drawn from the presidents of the top 500 industrial corporations as ranked by Fortune[1] on the basis of sales.[2] Admittedly, when compared with the total of business enterprises in this country, a mere 500 industrial corporations may seem to be a small number. However, this group is quite significant. Based on figures compiled by Fortune[3] in 1970, these 500 companies employed over 14.7 million employees, had sales in excess of 465 billion dollars, and had assets valued at more than 401 billion dollars.

Specifically, the sample was comprised of the following individuals:

a) Those who were president of one of America's largest 500 industrial corporations in 1970, and

b) Those who were made president of such corporations during the 1967 through 1969 period but were subsequently replaced before 1970.

After eliminating from this sample those presidents about whom data were insufficient and those who were founders or relatives of founders, the actual sample size was 456. (Those individuals omitted are indicated in Appendix A.)

Presidential Characteristics

Since the primary objective of the present study is concerned with mobility, only brief mention will be made of the group's characteristics.

As a group, the 456 individuals had an average age of 49.1 years when they were made presidents. However, their ages ranged from 29 to 67 years of age. And, although many presidents obtained that position through inter-corporate job changes and registered zero years experience with their firm, their average years of service before being made president were 15.8, with one individual having 46 years of service before reaching the presidency.[4]

Educationally, the group average was slightly above the bachelor's level with 158 of the presidents having obtained at least one graduate degree.[5]

All of the 456 individuals studied were males.

Research Procedure

Data Collection

To evaluate the hypotheses set forth in Chapter I, the following information was obtained from corporate directories[6] about each of the presidents included in the final sample:

a) The age and year when the individual became president;

b) The length of time the individual was with the firm prior to becoming president;

c) The extent each person had leveraged in his career;

d) The number of mobile presidents who returned to a firm with which they previously had been employed; and

e) The number of mobile presidents who leveraged after having become a top officer.

In collecting this information, several guidelines were followed. First, a subject who left his company for reasons of health, education, military or governmental service was not considered to have leveraged if he returned directly to the corporation which employed him prior to his leave. If instead the individual went to work with another firm, he was credited with one leverage. In either event, his length of service was based only upon the actual years employed by the firm (e.g., a person who had been employed

by a company from 1950 to 1970, and had left the company for two years because of the Korean Police Action, was credited with 18 years of service).

Second, transfers from one subsidiary to another or to the parent company were not viewed as leveraging.

Third, individuals working for firms which were acquired by another company were not considered to have leveraged to the acquiring firm. Moreover, their length of service was computed from the time they started to work for the acquired firm.

Fourth, if a subject's company was acquired by a firm he had worked for previously, this action was deemed beyond the control of the individual and not counted as a leverage to the previous firm.

Fifth, as indicated above, those subjects about whom all necessary data were unavailable, who began their own companies, or who were relatives of founders were omitted from the sample.

Evaluation Procedures for Hypotheses

To facilitate presentation, the hypotheses will be segregated into three groups, and the procedures applied to each hypothesis will be discussed.

Group One Hypotheses: How Frequent Is Leveraging?

As a group, the purpose of the first collection of hypotheses will be to establish the importance of the problem area. For clearly, if leveraging is in fact rare or is used primarily to further the individual's career goals with one company, the importance of the problem area would be diminished.

More specifically, this group will provide a better understanding of how widely leveraging has been used by the presidents studied, how common it has been at higher managerial ranks, and whether leveraging has been used as a means to acquire a higher position in a corporation with which the individual was previously associated.

Methodologically, the approach utilized for this group will be one of measuring the frequency of leveraging with respect to the situations outlined by each hypothesis. That is, a descriptive approach will be employed.

Hypothesis one.--As stated in Chapter I, the first hypothesis is as follows:

> All presidents of the 500 largest, industrial corporations surveyed have leveraged once, and 60 per cent have leveraged twice.[7]

Quite obviously, the evaluation of this hypothesis will require determining:

a) Whether all presidents have in fact leveraged (as Jennings so straightforwardly asserted in his book),[8] and

b) Whether sixty per cent of these presidents have leveraged twice.

This will be accomplished by obtaining the percentage of all presidents who leveraged once and the percentage of those who leveraged twice. By so doing, it will be possible to ascertain the extent to which leveraging has been employed by the presidents of leading corporations during their careers.

Hypothesis two.--Although it is believed the use of leveraging is widespread, its occurrence at the highest corporate ranks below the presidency is probably not very common. For at this point, the executive is clearly in the arrival stage of his career. ("This stage is measured by how frequently and with what duration the individual interacts with the president on a face-to-face basis.")[9] Thus it would seem reasonable to argue, a priori, that the arrival stage affords the executive greater autonomy, responsibility, and challenge. As such, the executive most likely would have greater loyalty to the organization on the one hand, and, on the other, he would have more to lose by appearing disloyal and looking for another position elsewhere. Therefore, it seems reasonable to assert that leveraging among top officers is rare.

The second hypothesis reflects this belief:

> Of those presidents who leveraged, less than 5 per cent leveraged after becoming a top officer in a company (e.g., Executive Vice-President, Vice-President, Treasurer, or Secretary).

Once again, the procedure to evaluate the hypothesis is simple and direct: the percentage of all mobile presidents who leveraged after becoming top officers will be obtained. Then the actual result will be compared with the expected one to determine how frequently leveraging has been used at high ranks by presidents during their careers.

Hypothesis three.--At the beginning of Chapter I, Freedgood was quoted as stating:

> Top-flight executives . . . no longer feel a prime loyalty to the corporation. There is a new set of values at work: loyalty to a discipline or a profession, and to a personal career.[10]

If Freedgood and others[11] are correct in their assessment, then it seems most unlikely that an individual would leverage from one company to another for the purpose of enhancing his future prospects with the first firm. Moreover, both the first firm and the individual would probably have reservations: those re-hiring the individual would probably doubt his loyalty, and the individual would question the warmth and sincerity of his homecoming. Therefore, it would

be very seldom that an individual would return to a company with which he was previously associated.

This is more specifically set forth in the third hypothesis:

> Less than 1 per cent of the presidents surveyed leveraged back to a company with which they were previously associated.

Exactly how unlikely it has been will be ascertained by determining the percentage of all presidents who have leveraged back to a firm with which they were previously associated.

Group Two Hypotheses: Has Leveraging Helped?

Irrespective of the frequency of leveraging, the question of whether it has helped mobile presidents still remains. The group two hypotheses are aimed at answering that question.

More specifically, this group of hypotheses has as a dual purpose:

a) The determination of whether mobile presidents or their non-mobile counterparts achieved that position at an earlier age; and

b) The determination of whether more mobile presidents achieve that position at an earlier age than their less mobile counterparts.

Hypothesis one.--In the belief that mobile presidents would exploit opportunities for advancement more actively

(e.g., they will even seek out other opportunities), the following hypothesis was set forth:

> When compared with those presidents who did not leverage, mobile presidents had a lower average age when made president.

Assuming the mobile presidents do have a lower average age, this hypothesis will be tested by employing the Kolmogorov-Smirnov two-sample test.[12] Moreover, since the hypothesis ". . . indicates the predicted direction of the difference, . . . a one-tailed test is called for."[13]

This test was selected because it ". . . is a test of whether two independent samples have been drawn . . . from populations with the same distributions."[14] That is, this test will make it possible to determine whether the difference between the cumulative frequency distributions associated with the mobile and the non-mobile presidents is statistically significant.

If the averages are in the predicted direction, and are statistically significant for a one-tailed test at the .05 level, the hypothesis will be accepted.

Hypothesis two.--As an extension of the previous hypothesis, hypothesis two states:

> The more frequently presidents have leveraged, the lower their average age was at the time they became president.

If it is correct, then the average age when made president (AAWMP) for those who did not leverage should be higher than for those who had leveraged once. Likewise, the AAWMP for those who leveraged once should be higher than for those who had leveraged twice, etc. Restated, those who have leveraged N times should have a lower AAWMP than those who have leveraged N-1 times.

Here again, the hypothesis will be tested by using the Kolmogorov-Smirnov two-sample test.[15] And, as in the preceding hypothesis, a one-tailed test will be applied since the hypothesis predicts the direction of the difference.[16]

This will be accomplished by comparing the cumulative frequency distribution of presidents by the age at which they achieved the presidency for those who did not leverage with those who had leveraged once. Then the comparison will be made between those who had leveraged once and those who had leveraged twice, etc. This procedure will be repeated for the N groups until the cumulative frequency distribution by age for group N-1 has been compared with the distribution for group N.

The hypothesis will be accepted if all average ages are in the predicted direction and the differences in the underlying distributions are statistically significant for a one-tailed test at the .05 level.

Group Three Hypotheses: What Recent Trends Exist?

Many theorists and practitioners argue that the use of leveraging has been increasing.[17] Jennings believes that the use of leveraging has been increasingly common in the careers of presidents.[18] The first hypothesis of this group will evaluate Jennings' belief by studying those presidents made president in each of the four years from 1967 to 1970.

Furthermore, the second hypothesis will attempt to show indirectly that leveraging at higher managerial ranks among these subjects has increased too.

Hypothesis one.--The first hypothesis of this group states:

> During the 1967 to 1970 period, there has been an increase in the percentage of presidents who have leveraged in their career.

The procedure to be employed here is twofold: first, the percentage of presidents who have leveraged in their career will be determined for each year of the four-year period, 1967 to 1970. It is hypothesized that the percentage of presidents made president in 1967, and who have leveraged, will be smaller than the corresponding percentage for 1968. Likewise, the percentage for 1968 will be smaller than the one for 1969, and the 1969 percentage will be smaller than the 1970 percentage.

Second, if this relationship holds, it will be tested by use of the Kolmogorov-Smirnov one-sample test. This test differs from the Kolmogorov-Smirnov two-sample test in that this test compares the observed cumulative frequency (of presidents who did leverage in each year) with the theoretical cumulative distribution. The theoretical distribution is determined from the null hypothesis which, in this case, means that the percentage of presidents made president and who have leveraged in any one of the four years is 25% of the total number of such presidents observed. That is, the theoretical cumulative distribution would be 25%, 50%, 75%, and 100% for 1967, 1968, 1969, and 1970, respectively.

For this hypothesis to be accepted, the relationship between the percentage of mobile presidents made president each year must be in the predicted direction and statistically significant for a one-tailed test at the .05 level.

Hypothesis two.--The last hypothesis states:

> During the 1967 to 1970 period, the widening use of leverage at higher ranks will be indicated by an increasingly larger decline in the average number of years of service presidents have with their firm when compared with the decline in the average age of presidents at the time they achieved that position.

The evaluation procedure for this hypothesis is also twofold: first, the rate of decline in the average number of years of service will be compared with the rate of decline in the average age of presidents when made president. This will be done for the following periods: 1967-68, 1968-69, and 1969-70. In each of these three periods, the percentage decline in the average number of years of service (ANYS) should be greater than the percentage decline in the average age when made president (AAWMP). Moreover, the difference between the percentage decline in ANYS and the percentage decline in the AAWMP should become larger in the 1968-69 period and still larger in the 1969-70 period.

Second, assuming these restrictive assumptions are met, the statistical significance of these results will be ascertained. The Chi-Square test for four samples will be used to accomplish this. Briefly, the Chi-Square test determines whether the differences between the observed distribution and the expected distribution (as determined from the null hypothesis) are significantly different. Under the null hypothesis, the AAWMP and the ANYS for each year should not be significantly different than the AAWMP and the ANYS for the combined 1967 to 1970 group. Therefore, half of the subjects made president in 1967 (and in

1968, 1969, and 1970) should be below the combined groups' mean age and half above it under the null hypothesis. By comparing the expected results under the null hypothesis with the observed results, it will be possible to reject the null hypothesis and accept the alternative hypothesis if the differences are significant at the .05 level for a one-tailed test. That is, if the distributions of the age when made president and the number of years of service are statistically significant over the 1967 to 1970 period, then the differences in the percentage decline between the ANYS and the AAWMP will be accepted as having only a five per cent (or less) chance of being a random occurrence.

Summary

This chapter's primary purpose has been twofold: first, the source, size, and characteristics of the sample were discussed. In that discussion, it was pointed out that the net sample was composed of 456 males whose average age was 49.1 years. These 456 individuals were selected from the top 500 industrial corporations in America and did not include those presidents who began their own companies or were relatives of founders.

Second, the purpose and research procedure related to each hypothesis was also discussed. Broadly speaking, the first group of hypotheses was designed to determine the extent of leveraging. The second group was employed to determine if leveraging appears to have helped individual presidents achieve the presidency more rapidly than their non-mobile counterparts. The last group of hypotheses had as its purpose the goal of uncovering any recent trends in the use of leveraging.

NOTES

[1]Eleanore Carruth, "The Fortune Directory of the 500 Largest Industrial Corporations," Fortune, Volume 81, Number 5 (May, 1970), pp. 181-200.

[2]According to Fortune, ". . . all companies on the list must have derived more than 50 per cent of their revenues from manufacturing and/or mining." Ibid., p. 184.

[3]Ibid., pp. 181-200.

[4]These figures were compiled from information contained in Dun & Bradstreet Reference Book of Corporate Managements 1970, New York: Dun & Bradstreet, Inc., 1970.

[5]Ibid.

[6]Ibid. Also, the Dun & Bradstreet Reference Book of Corporate Managements for 1969, 1968, and 1967, were used.

[7]This hypothesis is a test of an assertion made by Eugene E. Jennings in his book, The Mobile Manager: A Study of the New Generation of Top Executives (Ann Arbor: Graduate School of Business Administration, The University of Michigan, 1967), p. 24.

[8]Ibid.

[9]Ibid., p. 8.

[10]Seymour Freedgood, "The Churning Market for Executives," Fortune, Volume 72, Number 3 (September, 1965), p. 152.

[11]N.A., "Why They Want to Get to the Top," Iron Age, Volume 197, Number 8 (February 24, 1966), p. 39. Also see Arch Patton, "The Coming Scramble for Executive Talent," Harvard Business Review, Volume 45, Number 3 (May-June, 1967), p. 156. Robert C. Albrook, "How to Spot Executives Early," Fortune, Volume 78, Number 1 (July, 1968), p. 106. N.A., "Those Restless Young Executives," Dun's Review, Volume 92, Number 1 (July, 1968), p. 37. N.A., "More Managers Join the Jobless," Business Week, Number 2125 (May 23, 1970), p. 34.

[12]The Kolmogorov-Smirnov two-sample test is explained in Sidney Siegel, Nonparametric Statistics for the Behavioral Sciences (New York: McGraw-Hill Book Company, Inc., 1956), p. 127.

[13]Ibid., p. 13.

[14]Ibid., p. 127.

[15]See footnote 12 above.

[16]Siegel, op. cit.

[17]See footnote 7, Chapter I.

[18]Jennings, op. cit., p. 24.

CHAPTER IV

THE RESEARCH FINDINGS

Introduction

The results of the research outlined in Chapter III are presented in this chapter.

The Results of the Group One Hypotheses

As stated in the previous chapter, the purpose of the first group of hypotheses was to evaluate how frequently leveraging has occurred. Specifically, the answers to three questions were sought: how widely has leveraging been used by the presidents studied? How common has leveraging been at higher managerial ranks? And has leveraging been used as a means to acquire a higher position in a corporation with which the individual was previously associated?

Hypothesis One

The first hypothesis stated that:

> All presidents of the 500 largest, industrial corporations surveyed have leveraged once and 60 per cent have leveraged twice.[1]

The procedure employed to evaluate this hypothesis was descriptive and direct: after screening out those presidents whose records were unusable,[2] the percentage of presidents who leveraged once and the percentage who had leveraged twice were determined.

The result of this procedure was as follows: of the 442 presidents holding that position in 1970, 60.6 per cent (or 268 presidents) had leveraged once or more, and 33.3 per cent (or 147 presidents) had leveraged twice or more.

Clearly this hypothesis failed, and the frequency of leveraging is not as common as argued by Jennings.[3]

Hypothesis Two

The second hypothesis of group one was as follows:

> Of those presidents who leveraged, less than 5 per cent leveraged after becoming a top officer in a company (e.g., Executive Vice-President, Vice-President, Treasurer, or Secretary).

Here, too, the procedure was straightforward: the percentage of mobile presidents who leveraged after being made a top officer was obtained. Of the 268 presidents who had leveraged, 135 of them had leveraged after being made a top officer. That is, 50.4 per cent of the mobile presidents or 30.5 per cent of all presidents used in this study had leveraged after being made a top officer.

This hypothesis was rejected too.

Hypothesis Three

The last hypothesis of this group argued that:

> Less than 1 per cent of the presidents surveyed leveraged back to a company with which they were previously associated.

The evaluation of this hypothesis involved determining what percentage of the 268 mobile presidents leveraged back to a firm with which they were previously associated. Of that sample, 2.6 per cent (or 7 presidents) worked for the same firm twice at different points in their careers. (Restated, of the 442 presidents studied 1.6 per cent worked for the same firm twice.)

Since 2.6 per cent of the sample rejoined a firm with which they were previously associated, this hypothesis was also rejected.

The Results of the Group Two Hypotheses

The second group of hypotheses was aimed at determining whether leveraging has helped those managers who have used it. Toward that end, two questions were pursued: first, do mobile managers achieve the position of president at a younger age than their non-mobile counterparts? Second, do

more mobile managers achieve the position of president at a younger age than their less mobile counterparts?

Hypothesis One

To learn if there was any significant difference between mobile and non-mobile managers with respect to the age at which they achieve the presidency, the following hypothesis was set forth:

> When compared with those presidents who did not leverage, mobile presidents had a lower average age when made president.

The procedure to evaluate this hypothesis was twofold: first, the mean age of both groups (i.e., mobile and non-mobile presidents) was determined. Second, a one-tailed, Kolmogorov-Smirnov two-sample test was employed to determine the statistical significance of the findings.

The results were as follows: the 268 mobile presidents had an average age of 48.65 when they became president. The 174 non-mobile presidents had an average age of 49.54 when made president. That is, the mobile presidents of this sample, on average, became president almost one year (.89 of a year) sooner than their non-mobile counterparts. However, the one-tail probability of obtaining two distributions (of mobile and non-mobile presidents) as divergent

as the two distributions found in this study by chance would be 39 per cent.

Therefore, even though the average ages were in the predicted direction, the hypothesis was not accepted because the results were not significant for a one-tailed test at the .05 level or better.

Hypothesis Two

If mobile presidents achieve the presidency at an earlier age than their non-mobile counterparts, then the more mobile presidents should achieve the presidency at a younger age than their less mobile counterparts. Following that thinking, hypothesis two stated:

> The more frequently presidents have leveraged, the lower their average age was at the time they became president.

Hypothesis two was tested by grouping all presidents by the number of times they had leveraged and computing the mean age for each group. However, since the mean ages of the groups were not in the predicted direction, there was no need to calculate the statistical significance of the results.

Table 1, on the following page, indicates that the average age when made president (AAWMP) does decline when moving from non-mobile presidents (those who leveraged zero

TABLE 1

Average Ages Associated
with Different Frequencies of Leveraging

Number of Leverages	Number in Group	Average Age of Group
0	174	49.5
1	121	48.7
2	58	48.8
3	50	48.6
4	24	49.0
5	7	49.6
6	5	50.8
7	3	45.0

times) to presidents who have leveraged once. However, the AAWMP for those who leveraged twice is increasing rather than decreasing as hypothesized.

Therefore, this hypothesis was rejected.

The Results of the Group Three Hypotheses

The purpose of the last group of hypotheses was to determine whether leveraging has been increasingly common in the careers of presidents during the last four years.[4] If it has been, then the percentage of presidential openings filled with mobile presidents would be on the increase. Moreover, the importance of such a trend toward increased mobility would be even more significant if it was accompanied by an increase in leveraging at higher managerial levels. That is, if the increased mobility was the result of frequent moves early in their careers followed by stable, long-term employment by the firm in which they subsequently became president, the increased mobility would not warrant significant attention.

Hypothesis One

To determine whether leveraging has been increasing the following hypothesis was evaluated:

> During the 1967 to 1970 period, there has been an increase in the percentage of presidents who have leveraged in their career.

This hypothesis was evaluated by determining the number of presidents who obtained that position in 1967 and then finding the percentage of that number who had leveraged. This procedure was repeated for 1968, 1969, and 1970. Under this hypothesis, the percentage of mobile presidents would have had to increase in each subsequent year for the hypothesis to hold.

As can be seen from Table 2, the percentage decreased each year. Therefore, this hypothesis was also rejected.

Hypothesis Two

To assess the severity of leveraging at higher managerial levels the following hypothesis was put forth:

> During the 1967 to 1970 period, the widening use of leverage at higher ranks will be indicated by an increasingly larger decline in the average number of years of service presidents have with their firm when compared with the decline in the average age of presidents at the time they achieved that position.

That is, the hypothesis assumes that the average number of years of service (ANYS) and the average age when made president (AAWMP) would decline as a result of increased leveraging. However, as can be seen by Table 3, the ANYS and

TABLE 2

The Frequency of Leveraging Among
Presidents Made President During the 1967 to 1970 Period

Year	Number Made President	Number That Leveraged	Percentage That Leveraged
1967	71	46	64.8
1968	71	40	56.3
1969	64	36	56.2
1970	22	12	54.6

TABLE 3

The Average Number of Years of Service (ANYS) and Average Age When Made President (AAWMP) for All Mobile Presidents Made President During the 1967 to 1970 Period

Year	ANYS	AAWMP
1967	7.7	49.6
1968	8.4	50.4
1969	10.4	50.7
1970	8.3	48.6

the AAWMP do not decline as hypothesized. In fact, when mobile and non-mobile presidents are grouped together for each year, the ANYS actually increases over the 1967 to 1970 period. (See Table 4.)

Therefore, this hypothesis was not accepted either.

Summary

The purpose of Chapter IV has been to state the results of the methodology outlined in the preceding chapter. The results of this research have caused each hypothesis to be rejected. Since such an outcome was completely contrary to the widespread concensus found in the literature on mobility, additional analyses of the data were conducted and included in Appendix C.

TABLE 4

The Average Number of Years of Service (ANYS) And the Average Age When Made President (AAWMP) for All Presidents Made President During the 1967 to 1970 Period

Year	ANYS	AAWMP
1967	15.6	51.0
1968	16.7	52.0
1969	17.2	50.5
1970	18.0	49.3

NOTES

[1]This hypothesis was a test of an assertion made by Eugene E. Jennings in his book, The Mobile Manager: A Study of the New Generation of Top Executives (Ann Arbor: Graduate School of Business Administration, The University of Michigan, 1967), p. 24.

[2]As indicated in Chapter III, those subjects about whom all necessary data were unavailable, who began their own companies, or who were relatives of founders were omitted.

[3]Jennings, op. cit.

[4]See footnote 18 in Chapter III.

CHAPTER V

SUMMARY, CONCLUSIONS, AND IMPLICATIONS FOR FURTHER RESEARCH

Overview

The purpose of Chapter V will be to summarize the preceding chapters, state those conclusions which can be derived from this study, and discuss the implications these conclusions hold for further research.

Summary

Introduction

Based upon the widely held belief that there has been a shift in the prime loyalties of managers from the firm to the career,[1] many writers argued that inter-corporate mobility among presidents and top executives was widespread and increasing.[2]

Such a development presents management with a twofold problem: first, increases in managerial turnover are disruptive and costly. However, the impact, causes, and prevention of inter-corporate mobility only represent the

corporate perspective. And, although this part of the problem area is important, it was not the primary concern in this study.

Primary concern focused upon the other side of the problem area: the manager's viewpoint of the increased turnover. That is, does leveraging appear to have been a common ingredient in the careers of those who have successfully achieved the presidency? The approach to this question involved answering three subordinate questions: how frequently has leveraging been in the careers of presidents? Has leveraging appeared to help those who have used it? What recent developments in the use of leveraging have occurred?

Hypotheses

Corresponding to the last three questions, three groups of hypotheses were set forth to be evaluated.

Group one hypotheses: how frequent is leveraging?

1) All presidents of the 500 largest, industrial corporations surveyed have leveraged once, and 60 per cent have leveraged twice;

2) Of those presidents who leveraged, less than 5 per cent leveraged after becoming a top officer in a company (e.g., Executive Vice-President, Vice-President, Treasurer, Secretary); and

3) Less than 1 per cent of the presidents surveyed leveraged back to a company with which they were previously associated.

Group two hypotheses: has leveraging helped?

1) When compared with those presidents who did not leverage, mobile presidents had a lower average age when made president; and

2) The more frequently presidents have leveraged, the lower their average age was at the time they became president.

Group three hypotheses: what recent trends exist?

1) During the 1967 to 1970 period, there has been an increase in the percentage of presidents who have leveraged in their career; and

2) During the 1967 to 1970 period, the widening use of leverage at higher ranks will be indicated by an increasingly larger decline in the average number of years of service presidents have with their firm, when compared with the decline in the average age of presidents at the time they achieved that position.

Methodology and Results

The sample

The sample was selected from the presidents of the top 500 industrial corporations as ranked by Fortune[4] on the basis of sales. More specifically, the sample included the following presidents:

1) Those who were president of one of America's largest 500 industrial corporations in 1970, and

2) Those who were made president of such corporations during the 1967 through 1969 period but were subsequently replaced before 1970.

All founders, relatives of founders, and those for whom data were insufficient were eliminated from consideration.

The evaluation procedures and their results

The process of evaluating the first group of hypotheses was descriptive and direct: the percentage of presidents who leveraged once, who leveraged twice, who leveraged after becoming a top officer, and who leveraged back to a firm each had previously leveraged out of was obtained and compared with the expected results. As stated in the preceding chapter, the resultant percentages caused all three of the group one hypotheses to be rejected.

In studying mobile presidents to see if they achieve the presidency at an earlier age, the average age when made president was determined for both mobile and non-mobile presidents. It was found that mobile presidents did achieve the presidency sooner by an average of .89 years. However, this outcome was not statistically significant. The second hypothesis of group two was also rejected. By grouping the presidents by the number of times they had leveraged and computing the average age for each group, it was determined

that the more frequently a president leveraged, on average, did not result in him being made president at an earlier age.

Lastly, the third group of hypotheses was concerned with recent trends. To evaluate whether the use of leveraging by presidents during their careers has been on the increase, the percentage of presidents made president during the 1967 to 1970 period who had leveraged decreased from 1967 to 1970; this hypothesis was rejected. To assess the severity of leveraging at higher managerial levels, the average number of years of service presidents had with their firms before being made president and the average age at which they were made president were determined. However, since this last hypothesis in group three was based on the assumption that the average number of years service and the average age when made president would decline through this period, the hypothesis was rejected when these assumptions were not borne out by the data.

Conclusions

On the Frequency of Leveraging

With regard to the frequency of leveraging, the picture

which emerges from this research is as follows: of the presidents studied, 60.6 per cent leveraged once and 33.3 per cent leveraged twice. But, of those who leveraged over half (50.4 per cent) leveraged after being made a top officer and only 2.6 per cent of them ever returned to a company each had leveraged out of. Therefore, even though leveraging was not as common as Jennings argued it would be, it has been common, affecting over three-fifths of the presidents studied. Moreover, with 30.5 per cent of all presidents (or 50.4 per cent of the mobile presidents) having leveraged after being made a top officer, it is quite apparent that ". . . turnover at the executive level is without doubt one of the most costly hidden items borne by the modern corporation."[5]

Admittedly, the mobile individual's technical and managerial skills are probably highly transferrable. However, the manager's understanding of the organization's informal relationships--which was built at the expense of the organization--are lost by leveraging. And, since only 2.6 per cent of those studied leveraged back to a previous employer, such losses are seldom recovered by the firm.

In short, the problem of leveraging is not as widespread as hypothesized. However, the observed proportion

of turnover among top officers does represent a costly loss of organizational understanding.

On the Usefulness of Leveraging

When mobile and non-mobile presidents were compared on the basis of their average ages when made president, it was found that the mobile ones achieved the presidency .89 of a year sooner than their non-mobile counterparts. But, since the differences between the age distributions of these two groups had a high probability (39 per cent) of occurring by chance, it cannot be safely concluded that mobile presidents achieve the presidency at a younger age.

Furthermore, there was neither a positive nor negative relationship between the number of times presidents leveraged and their average age when they became president. Therefore, it cannot be concluded that leveraging has been helpful or harmful to the careers of those presidents studied.

On the Recent Trends of Leveraging

With regard to recent developments, data generated from this study have led to two interesting findings: first, the percentage of presidents recently made president and who have leveraged actually decreased during the 1967 to 1970

period. Second, the average tenure for all presidents made president during this period increased.

Thus, these observations indicate that among those made president of a top 500 corporation, there exists a trend toward less inter-corporate mobility.

On Reconciling Contradictory Differences

Clearly the frequency, usefulness, and trends associated with leveraging found in this study are contradictory to the impression conveyed by the literature in this area. The obvious question which remains is: how can these differences be explained?

Several explanations of this outcome seem plausible. There is a definite possibility that the literature overstates the problem of managerial turnover. Those who deal with mobile managers may be the victims of selective perception. They seek out mobile managers in their research and find many exist. Managers who have been successful at it boast of its advantages; those who have been unsuccessful stay quiet. The result is that employment counselors, personnel managers, and researchers receive only a biased picture leading to biased conclusions and articles. Since many are receiving the same unbalanced inputs, assertions about the increasing use of mobility obtain widespread

support by others equally misinformed. Then, through numerous articles, those outside the employment services area are led to believe in the existence of widespread mobility too. Moreover, people outside this area probably do not clearly distinguish between inter- and intra-corporate mobility. Thus, they perceive the arguments in the literature as being supported by their own incorrect observations on mobility.

Also plausible is a second explanation. Mobility may be common at lower levels among those who do not seek higher office. They may have found a level at which they are content. Unable or unwilling to move up, they seek gratification by moving around. Outwardly, they appear highly ambitious and successful. Inwardly, they are not ambitious but instead content.

A third explanation, indirectly supportive of the second, is as follows: even though unemployment levels during the late 1960's were low, managers may have been less willing to leverage because of the economic uncertainty associated with this period. Many managers probably realized that government economic policy would attempt to reduce inflation and the by product of such efforts would be higher levels of unemployment coupled with a decline in business activity.

Rather than leverage into an uncertain environment, mobile managers may have elected to wait out the impending developments by staying in their present company. Increasingly, this may have forced a president to be selected from within the organization.

In summary, one point seems certain: inter-corporate mobility among those studied is not as common as one would be led to believe from the available literature. Whether this is the result of illogical assumptions, personal proclivities, economic conditions or some combination of these is less than certain but could be researched. In any case, it does not appear that mobicentric managers have gained anything approaching the unanimous control Jennings predicted for them by 1970. Admittedly, it is clear that they are an important segment of managerial ranks and they are not a mythical fabrication. However, from this research, it is not clear that the use of inter-corporate mobility represents any advantage for its users.

Implications for Further Research

The implications for further mobiliographic research are primarily twofold and will be treated under two broad

sub-topics: managerial mobility at lower levels and the sources of mobility.

Managerial Mobility at Lower Levels

Since the lower level managers of today represent tomorrow's top management and since mobility among top executives appears to be both frequent and costly, additional research into the frequency and trends of leveraging at lower managerial ranks may provide an indication of the future magnitude of mobility among top executives. More specifically, is the frequency of leveraging increasing or decreasing among lower levels of management? Are those who are leveraging, leveraging around or up organizational hierarchies? Obviously, with almost a third of all 1970 presidents having leveraged after being made a top officer, this is an important problem irrespective of the answers to those questions. However, the intensity with which future research efforts should be directed at this problem would be influenced by the answers. For clearly, if leveraging is declining among lower levels of management or it is primarily lateral, the problem is less pressing then it would be if leveraging was found to be increasing and vertical.

In either eventuality, the problem at its present level

warrants further research into the sources of mobility.

Sources of Mobility

This study was restricted to only the largest industrial corporations. As such it does not purport to have fully evaluated the entire industrial sector of American business. Moreover, such sectors as government and service were not included at all. In those sectors the frequency, usefulness, and trends of leveraging may be drastically different. Even within the industrial sector, mobility may vary from industry to industry, corporation to corporation, plant to plant, or even department to department.

Research into such differences, if they exist, might lead to uncovering environmentally based causes of managerial turnover that are associated with unique aspects of a firm's organizational design, technology, leadership, or organizational goals. On a less global level, situational factors in particular work groups also may be contributing, or even causal, factors in turnover.

Approaching the problem of mobility from the human side, it also may be possible to isolate personality variables common to mobile individuals through the use of personality inventories already available or new tests developed for that purpose. Then it would be possible to screen candidates

for sensitive organizational positions on the basis of how likely it would be that they would leverage.

Eventually, organizational engineering of personality types and organizational relationships associated with inter-corporate mobility may become a reality and lead to lower turnover with higher productivity as a by-product.

NOTES

[1]Seymour Freedgood, "The Churning Market for Executives," Fortune, Volume 72, Number 3 (September, 1965), p. 152. N.A., "Why They Want to Get to the Top," Iron Age, Volume 197, Number 8 (February 24, 1966), p. 39. Arch Patton, "The Coming Scramble for Executive Talent," Harvard Business Review, Volume 45, Number 3 (May-June, 1967), p. 156. N.A., "More Managers Join the Jobless," Business Week, Number 2125 (May 23, 1970), p. 34. N.A., "Job Hopping Recruits Still Plague Companies," Steel, Volume 164, Number 20 (May 19, 1969), p. 72k. N.A., "Not Enough Chiefs," The Magazine of Wall Street, Volume 121, Number 12 (March 2, 1968), p. 42. Robert C. Albrook, "How to Spot Executives Early," Fortune, Volume 78, Number 1 (July, 1968), p. 106. N.A., "Those Restless Young Executives," Dun's Review, Volume 92, Number 1 (July, 1968), p. 37.

[2]Harold A. Miller, "1,300 Presidents and Vice Presidents Who Made It," Business Management, Volume 36, Number 3 (June, 1969), p. 20. Also see N.A., "One-fifth of Top Jobs Go to Outsiders, Survey Finds," Management Services, Volume 4, Number 3 (May-June, 1967), p. 7. "Those Restless Young Executives," op. cit. Robert C. Albrook, "Why It's Harder to Keep Good Executives," Fortune, Volume 78, Number 6 (November, 1968), p. 137. George J. Berkwitt, "The Revolt of the Middle Managers," Dun's Review, Volume 94, Number 3 (September, 1969), p. 39. Jaala Weingarten, "How Do You Keep Executives?" Dun's Review and Modern Industry, Volume 88, Number 1 (July, 1966), p. 35.

[3]Eugene E. Jennings, The Mobile Manager: A Study of the New Generation of Top Executives, (Ann Arbor: Graduate School of Business Administration, The University of Michigan, 1967), p. 24.

[4]Eleanore Carruth, "The Fortune Directory of the 500 Largest Industrial Corporations," Fortune, Volume 81, Number 5 (May, 1970), pp. 181-200.

[5]Judith Dolgins, "A Good Man Is Hard to Keep," Dun's Review and Modern Industry, Volume 81, Number 5 (May, 1963), p. 64.

APPENDICES

APPENDIX A

TABULATION OF RAW DATA
FOR ALL PRESIDENTS HOLDING THAT POSITION IN 1970

CO. NO.	BIRTH YEAR	YEAR MADE PRES	AGE MADE PRES	LEVERAGING: YES OR NO*	LEVERAGING: NO. OF TIMES	LEVERAGING: AFTER MADE TOP OFFICER	LEVERAGING: RETURN TO PREVIOUS FIRM*	YEARS WITH CO. BEFORE MADE PRES
001	1909	1967	58	02				37
002	99**	1969	99	02				37 #
003	1924	1970	46	02				24
004	1910	1963	53	02				32
005	1912	1966	54	02				31
006	1924	1970	46	01	01		02	11
007	1919	1969	50	02				22
008	1907	1965	58	01	01		02	18
009	1910	1959	49	01	03	03	02	00
010	1912	1965	53	02				29
011	1907	1969	61	02				40
012	1916	1969	53	02				31
013	1925	1969	44	02				22
014	1917	1965	48	01	01		02	05
015	1909	1967	58	02				35
016	1910	1969	59	02				37
017	1915	1963	48	01	01		02	09
018	1911	1965	54	02				27
019	1911	1966	55	01	01		02	29
020	1908	1964	56	02				35
021	1918	1966	48	01	01	01	02	18
022	1912	1967	55	02				33
023	1917	1962	45	01	01		02	16
024	1914	1969	55	01	01		02	28
025	1911	1963	52	02				26
026	1921	1968	47	02				21
027	1907	1969	62	02				35
028	1910	1957	47	02				24
029	1917	1964	47	01	02		02	08
030	1920	1970	50	01	01	01	02	02
031	1917	1968	51	02				28
032	1914	1968	54	02				31
033	1912	1962	50	01	04	03	02	00
034	1908	1968	60	01	03	02	01	21
035	1917	1966	49	01	01		02	12
036	1911	1968	57	02				33
037	1909	1970	61	02				39
038	1909	1968	59	02				35

TABULATION OF RAW DATA CONTINUED

				LEVERAGING				
CO. NO.	BIRTH YEAR	YEAR MADE PRES	AGE MADE PRES	YES OR NO*	NO. OF TIMES	AFTER MADE TOP OFFICER	RETURN TO PREVIOUS FIRM*	YEARS WITH CO. BEFORE MADE PRES
039	1918	1953	35	01	02	01	02	00
040	1916	1968	52	01	01		02	04
041	1914	1967	53	01	01		02	00
042	1909	1966	57	01	01		02	25
043	1916	1968	52	02				27
044	1912	1969	57	01	04	03	02	01
045	1915	1958	43	01	01		02	10
046	1917	1966	49	01	01	01	02	08
047	1928	1970	42	02				24
048	1923	1956	33	01	03		02	00
049	1922	1962	40	02				13
050	1913	1945	32	02				09
051	1911	1963	52	02				29
052	1914	1961	47	02				25
053	1919	1968	49	01	01	01	02	13
054	1913	1967	54	01	01		02	28
055	1920	1957	47	01	03	01	02	00
056	1915	1968	53	02				30
057	1925	1960	35	01	01		02	04
058	1917	1964	47	02				25
059	1911	1966	55	02				33
060	1908	1965	57	01	01		02	27
061	1924	1969	45	01	02		02	14
062	1907	1967	60	02				38
063	1917	1965	48	01	01		02	26
064	1928	1966	38	01	01	01	02	08
065	1910	1968	58	02				38
066	1909	1960	51	02				24
067	1910	1963	53	02				38
068	1920	1968	48	01	01		02	18
069	1915	1968	53	02				31
070	1921	1957	36	01	02		02	03
071	1922	1966	44	01	01	01	02	12
072	1905	1965	60	01	04		01	15
073	1907	1960	53	01	02		02	08
074	1927	1964	37	01	01		02	07
075	1918	1965	47	01	02		02	17
076	1917	1969	52	01	03		02	04
077	1913	1966	53	01	01		02	24
078	1914	1968	54	01	02		02	24
079	1915	1962	47	01	01		02	13

TABULATION OF RAW DATA CONTINUED

CO. NO.	BIRTH YEAR	YEAR MADE PRES	AGE MADE PRES	LEVERAGING: YES OR NO*	LEVERAGING: NO. OF TIMES	LEVERAGING: AFTER MADE TOP OFFICER	RETURN TO PREVIOUS FIRM*	YEARS WITH CO. BEFORE MADE PRES	
080	1918	1969	51	01	01		02	15	
081	1911	1969	58	01	05	04	02	04	
082	1923	1967	44	01	02	01	02	01	
083	1911	1952	41	02				16	
084	1924	1969	45	01	07	07	02	06	
085	1919	1968	49	02				22	
086	1924	1964	40	02				16	
087	1918	1963	45	02				16	
088	1917	1965	43	01	03	02	02	10	
089	1926	1967	41	02				20	#
090	1916	1967	51	02				28	
091	1915	1966	51	01	01		02	05	
092	1922	1969	47	02				22	
093	1918	1966	48	02				26	
094	1913	1960	47	02				12	
095	1925	1969	44	02				22	
096	1920	1966	46	01	01	02		15	
097	1927	1970	43	01	01	02		03	
098	1913	1957	44	02				23	
099	1917	1965	47	01	01		02	12	
100	1917	1962	45	02				21	
101	1924	1964	40	02				14	
102	1913	1966	53	02				31	
103	1909	1960	51	02				28	
104	1892	1936	44	02				06	#
105	1912	1965	43	01	03	01	02	12	
106	1922	1960	38	02				10	
107	1912	1967	55	02				32	
108	1922	1968	46	01	01	01	02	07	
109	1925	1969	44	01	01	01	02	02	
110	1908	1969	61	02				31	
111	1914	1961	47	01	02			10	
112	1914	1964	50	01	01		02	26	
113	1915	1968	53	02				34	
114	1906	1962	58	01	06	02	02	07	
115	1926	1969	43	02				21	#
116	1908	1959	51	01	06	02	02	07	
117	1906	1963	57	02				32	
118	1913	1969	56	01	02	01	02	19	
119	1921	1963	42	02				16	
120	1912	1960	48	01	01		02	17	

TABULATION OF RAW DATA CONTINUED

				LEVERAGING				
CO. NO.	BIRTH YEAR	YEAR MADE PRES	AGE MADE PRES	YES OR NO*	NO. OF TIMES	AFTER MADE TOP OFFICER	RETURN TO PREVIOUS FIRM*	YEARS WITH CO. BEFORE MADE PRES
121	1923	1968	43	01	06	05	02	00
122	1912	1968	56	02				33
123	1924	1967	43	02				17
124	1915	1969	54	01	02	01	02	04
125	1910	1963	53	01	01		02	21
126	1910	1948	38	02				16
127	1921	1970	49	02				20
128	1919	1969	50	02				23
129	1917	1961	44	01	01		02	07
130	1923	1969	36	01	01		02	09
131	1907	1953	46	01	01	01	02	15
132	1907	1964	57	02				34
133	1907	1957	50	01	03	01	02	20
134	1906	1967	61	02				38
135	1923	1967	44	01	01		02	19
136	1918	1956	38	01	01		02	07
137	1916	1960	44	01	01	01	02	11
138	1913	1967	54	01	02	01	02	00
139	1912	1956	44	01	01		02	15
140	1915	1968	53	01	03	01	02	00
141	1916	1967	51	01	03	03	02	00
142	1914	1966	52	02				21
143	1920	1970	50	01	01		02	24
144	1917	1969	52	01	02		02	13
145	1919	1967	48	01	02		02	15
146	1920	1970	50	01	02		02	19
147	1924	1969	45	02				20
148	1919	1964	47	01	03	03	02	00
149	1912	1966	54	02				31
150	1912	1963	51	02				29
151	1904	1961	57	01	02	01	02	00
152	1912	1967	55	01	03	01	02	04
153	1922	1969	47	01	02		02	00
154	1918	1969	51	02				23
155	1930	1968	38	01	03		02	05
156	1917	1965	48	01	01	01	02	06
157	1923	1968	45	02				22
158	1914	1968	54	01	02	02	02	00
159	1920	1968	48	02				26
160	1918	1967	49	02				27
161	1907	1943	36	01	01		02	02 #
162	1916	1970	44	02				36

TABULATION OF RAW DATA CONTINUED

CO. NO.	BIRTH YEAR	YEAR MADE PRES	AGE MADE PRES	LEVERAGING: YES OR NO*	LEVERAGING: NO. OF TIMES	LEVERAGING: AFTER MADE TOP OFFICER	RETURN TO PREVIOUS FIRM*	YEARS WITH CO. BEFORE MADE PRES
163	1911	1962	51	01	03	02	02	05
164	1916	1968	52	01	01	01	02	12
165	1922	1968	46	02				22
166	1911	1959	48	01	02		02	07
167	1926	1970	44	01	05	01	02	01
168	1922	1966	44	01	02		02	08
169	1899	1946	47	02				22 #
170	1905	1965	60	01	01		02	33 #
171	1914	1968	54	02				33
172	1917	1967	50	02				22
173	1924	1968	44	02				16
174	1911	1965	54	01	02		02	28
175	1910	1963	53	01	01		02	26
176	1923	1968	45	01	02		02	04
177	1916	1970	54	01	03		02	16
178	1919	1969	50	02				22
179	1922	1955	33	01	01		02	00
180	1917	1969	52	01	01		02	27
181	1922	1969	47	02				22
182	1910	1965	55	01	02		02	19
183	1907	1960	53	01	02		02	11
184	1916	1962	46	02				24
185	1911	1969	58	01	01	01	02	06
186	1913	1962	49	01	04	01	02	08
187	1908	1960	52	02				29
188	1911	1957	46	01	02	01	02	00 #
189	1912	1967	55	01	03		02	21
190	1914	1966	52	02				30
191	1911	1965	54	01	04	02	02	07
192	1921	1968	47	02				21
193	1920	1959	39	01	03		02	06
194	1914	1954	40	02				18
195	1916	1962	46	02				27
196	1912	1968	56	02				34
197	1922	1966	44	01	01		02	14
198	1917	1961	44	01	07	03	02	01
199	1919	1969	50	02				31
200	1906	1960	54	01	01		02	23
201	1905	1964	59	01	01	01	02	00
202	1916	1968	52	02				27
203	1912	1967	55	01	03		02	12

TABULATION OF RAW DATA CONTINUED

				LEVERAGING				
CO. NO.	BIRTH YEAR	YEAR MADE PRES	AGE MADE PRES	YES OR NO*	NO. OF TIMES	AFTER MADE TOP OFFICER	RETURN TO PREVIOUS FIRM*	YEARS WITH CO. BEFORE MADE PRES
204	1920	1968	48	01	01		02	05
205	1918	1969	51	02				30
206	1908	1958	50	01	01	01	02	03
207	1912	1967	55	02				33
208	1908	1968	60	02				39
209	1914	1970	56	02				35
210	1906	1964	58	01	04	02	01	09
211	1914	1962	48	01	03		02	04
212	1933	1969	36	01	01		02	07
213	1918	1970	52	02				39
214	1920	1970	50	01	03	02	01	10
215	1909	1967	58	02				30
216	1930	1963	33	02				13 #
217	1927	1969	42	02				20
218	1919	1967	48	01	99	99	99	09 #
219	1908	1964	56	02				31
220	1919	1968	47	02				22
221	1917	1964	47	01				02
222	1914	1954	40	02				19
223	1921	1967	46	01	01	01	02	00
224	1904	1950	46	01	07	03	01	00
225	1929	1957	38	02				07
226	1908	1967	59	01	03		02	19
227	1929	1965	36	02				09
228	1917	1960	43	02				21
229	1909	1937	28	02				00 #
230	1911	1963	52	01	02	02	02	00
231	1916	1956	40	02				16
232	1916	1967	51	01	02	01	02	00
233	1915	1960	45	02				20 #
234	1917	1969	52	01	02	01	02	05
235	1910	1959	49	01	02		02	17
236	1918	1968	50	02				29 #
237	1917	1967	50	01	04	01	02	00
238	1918	1963	45	01	05	03	02	00
239	99	99	99	99	99	99	99	99 #
240	1918	1969	51	01	01		02	25
241	1921	1966	45	02				25
242	1923	1962	39	01	02		02	10
243	1916	1961	45	02				20
244	1903	1966	63	02				46
245	1934	1969	35	01	01		02	05

TABULATION OF RAW DATA CONTINUED

				LEVERAGING					
CO. NO.	BIRTH YEAR	YEAR MADE PRES	AGE MADE PRES	YES OR NO*	NO. OF TIMES	AFTER MADE TOP OFFICER	RETURN TO PREVIOUS FIRM*	YEARS WITH CO. BEFORE MADE PRES	
246	1912	1969	57	01	01		02	28	
247	1910	1966	56	01	01	01	02	00	
248	1917	1967	50	02				28	
249	1909	1933	24	02				00	#
250	1914	1968	54	02				30	
251	1911	1966	55	01	02		02	26	
252	1926	1968	37	01	04	02	02	00	
253	1918	1963	50	02				21	
254	99	99	99	99	99	99	99	99	#
255	1916	1960	44	01	02		02	01	
256	1920	1966	46	01	02	01	02	03	
257	1926	1968	42	01	01		02	08	
258	1908	1968	60	01	01	01	02	00	
259	1911	1962	51	01	01	01	02	04	
260	1916	1964	48	01	01			26	
261	1910	1968	58	01	03	01	01	13	
262	1903	1955	53	02				19	
263	1919	1969	50	02				29	
264	1905	1957	52	01	03		02	01	
265	1923	1968	45	01	03		02	00	
266	1919	1966	47	01	03		02	00	
267	1911	1965	54	02				30	
268	1911	1962	51	02				26	#
269	1925	1969	44	01	01	01	01	10	
270	1903	1951	48	02				23	
271	1925	1968	43	02				21	
272	1910	1967	57	02				38	
273	1930	1969	39	02				16	
274	1919	1966	47	01	02		02	00	
275	1925	1963	38	01	01	01	02	00	
276	1903	1963	60	02				41	
277	1916	1967	51	02				27	
278	1919	1968	49	01	04	03	02	04	
279	1910	1966	56	01	01		02	29	
280	1924	1967	43	01	04	02	02	00	
281	1915	1961	46	02				24	
282	1913	1961	48	01	03	01	02	05	
283	1920	1968	48	01	02	01	02	00	
284	1909	1962	53	01	04	03	02	00	
285	1926	1965	39	01	02		02	04	
286	1908	1958	50	01	02		02	18	

TABULATION OF RAW DATA CONTINUED

				LEVERAGING				
CO. NO.	BIRTH YEAR	YEAR MADE PRES	AGE MADE PRES	YES OR NO*	NO. OF TIMES	AFTER MADE TOP OFFICER	RETURN TO PREVIOUS FIRM*	YEARS WITH CO. BEFORE MADE PRES
287	1913	1960	47	02				23 #
288	1924	1967	43	01	03	03	02	00
289	1918	1970	52	02				23
290	1912	1959	47	01	01		02	17
291	1918	1967	49	01	02	01	02	00
292	1919	1970	51	01	01	01	02	01
293	1913	1964	51	01	01		02	25 #
294	1919	1968	49	01	01	01	02	03
295	1922	1968	46	01	01		02	01
296	1907	1932	25	01	01		02	00 #
297	1922	1967	45	02				21
298	1922	1965	43	02				17
299	1918	1961	43	01	03	03	02	00
300	1913	1955	42	02				18
301	1921	1969	48	01	02	02	02	08
302	1929	1969	40	02				16
303	1911	1966	55	02				37
304	1918	1964	46	02				18
305	1912	1967	55	02				37
306	99	99	99	99	99	99	99	99 #
307	1916	1968	52	01	06	03	02	02
308	1913	1969	56	01	04	02	02	07
309	1911	1965	54	01	01		02	12
310	1917	1968	51	02				29
311	1913	1965	52	01	01	01	02	00
312	1915	1967	52	01	03	01	02	01
313	1908	1952	44	01	01	01	02	11
314	1926	1961	35	01	02	02	02	04
315	1922	1967	45	01	01		02	11
316	1916	1968	52	01	03	02	02	00
317	1914	1960	46	01	01	01	02	00
318	1910	1960	50	01	01		02	00
319	99	99	99	99	99	99	99	99 #
320	1924	1970	45	02				23
321	1920	1969	49	01	03	02	02	00
322	1915	1963	48	02				24
323	1914	1962	48	01	01		02	15
324	1921	1963	41	01	99	99	99	03 #
325	1921	1966	45	01	01	01	02	04
326	1924	1955	31	01	02	01	02	00 #
327	1915	1968	53	01	03	01	02	00

TABULATION OF RAW DATA CONTINUED

				LEVERAGING					
CO. NO.	BIRTH YEAR	YEAR MADE PRES	AGE MADE PRES	YES OR NO*	NO. OF TIMES	AFTER MADE TOP OFFICER	RETURN TO PREVIOUS FIRM*	YEARS WITH CO. BEFORE MADE PRES	
328	1915	1968	53	02				99	#
329	1913	1964	51	02				22	
330	1930	1969	39	02				13	#
331	1911	1964	53	02				26	
332	1915	1965	50	02				28	
333	1905	1934	29	01	01		02	00	#
334	1915	1954	39	02				19	
335	1925	1969	44	01	03		02	08	
336	1930	1966	36	01	01		02	06	
337	99	99	99	99	99	99	99	99	#
338	1913	1960	47	01	03	01	02	08	
339	1916	1969	53	02				30	
340	1912	1967	55	01	02	01	02	01	
341	1915	1968	53	01	04	02	02	12	
342	1912	1967	55	01	02	01	02	06	
343	1967	1967	50	01	04	01	02	10	
344	1923	1964	41	02				18	
345	1939	1968	29	02				06	
346	1915	1966	51	01	01	01	02	00	
347	1916	1960	44	02				22	#
348	1913	1965	52	01	01		02	25	
349	1923	1967	44	01	02		02	11	
350	1905	1953	48	01	01		02	00	
351	1910	1968	58	01	01		02	26	
352	1916	1969	53	01	02	01	02	18	
353	99	99	99	99	99	99	99	99	#
354	1921	1966	45	02				20	
355	1925	1967	42	02				17	
356	1908	1968	60	02				38	
357	1915	1969	54	01	02		02	09	
358	1914	1958	44	01	04	03	02	02	
359	1910	1945	35	02				11	
360	1916	1970	54	01	01		02	09	
361	1916	1969	53	02				31	
362	1913	1959	46	01	02	01	02	03	
363	1916	1958	42	02				19	#
364	1920	1968	58	01	05	01	02	00	
365	1938	1964	26	02				04	#
366	1913	1969	56	02	01	01	02	04	
367	99	99	99	99	99	99	99	99	
368	1908	1955	47	02				26	

TABULATION OF RAW DATA CONTINUED

CO. NO.	BIRTH YEAR	YEAR MADE PRES	AGE MADE PRES	LEVERAGING: YES OR NO*	LEVERAGING: NO. OF TIMES	LEVERAGING: AFTER MADE TOP OFFICER	LEVERAGING: RETURN TO PREVIOUS FIRM*	YEARS WITH CO. BEFORE MADE PRES
369	1910	1960	50	02				08
370	1918	1965	52	01	03	02	02	08
371	1920	1946	26	02				00 #
372	1918	1967	49	01	02		02	14
373	1912	1964	52	01	02		02	15
374	1920	1966	46	01	01		02	19
375	99	99	99	99	99	99	99	99 #
376	1917	1967	50	01	06	01	02	02
377	1915	1965	50	02				28
378	1927	1967	40	01	04	01	02	00
379	1921	1967	46	01	04		02	09
380	1921	1968	47	01	01		02	16
381	1926	1963	37	01	01		02	08
382	1914	1969	55	01	05	04	02	03
383	1909	1966	57	01	01		02	18
384	1917	1955	38	01	01		02	09
385	1916	1969	53	01	03	01	02	11
386	1913	1968	55	01	01		02	28
387	1913	1963	50	02				29
388	1906	1959	53	01	01		02	18
389	1908	1968	60	02				24
390	1914	1957	43	01	01		02	11
391	1921	1968	57	02				22
392	1925	1969	44	02				24
393	1909	1969	60	01	02		02	22
394	1920	1967	47	01	01		02	15
395	1908	1960	52	02				40 #
396	99	99	99	99	99	99	99	99 #
397	1917	1965	48	01	03	02	02	03
398	1921	1966	45	99	99	99	99	10 #
399	1912	1969	57	02				35
400	1911	1967	56	01	01		02	11
401	1916	1958	42	01	02		02	01
402	1931	1962	31	02				00 #
403	1919	1967	48	02				17
404	1915	1955	40	02				28
405	1916	1958	42	02				20
406	1913	1966	53	02				28
407	1920	1962	42	01	01	01	02	08
408	1930	1967	37	01	04	02	02	01

TABULATION OF RAW DATA CONTINUED

CO. NO.	BIRTH YEAR	YEAR MADE PRES	AGE MADE PRES	LEVERAGING YES OR NO*	LEVERAGING NO. OF TIMES	LEVERAGING AFTER MADE TOP OFFICER	LEVERAGING RETURN TO PREVIOUS FIRM*	YEARS WITH CO. BEFORE MADE PRES
409	1909	1945	36	01	01		02	07 #
410	1903	1965	62	01	01	07	02	04 #
411	99	1967	99	99	99	99	99	23 #
412	1903	1936	33	02	02			09 #
413	1920	1964	47	02	02			21
414	1919	1966	67	01	02	01	02	12
415	1927	1967	40	01	01	02	02	14
416	1912	1964	52	01	02	02	02	18
417	1919	1946	27	02				00 #
418	1920	1967	47	01	01		02	07
419	1925	1961	36	02				15 #
420	1912	1962	50	01	01	02	02	21
421	1915	1970	55	02				33
422	1907	1966	59	01	01		02	37
423	1912	1964	52	01	02	02	02	19 #
424	1923	1965	42	01	01	02	02	14
425	1932	1967	35	01	02	02	02	02
426	1912	1963	51	02				29
427	1925	1968	43	02				19
428	1935	1967	32	01	02	01	02	00
429	1917	1964	47	01	02		02	14
430	1915	1965	50	01	01	01	02	04
431	1911	1959	48	02				18
432	1929	1969	40	02				13
433	1910	1963	53	01	01		02	26
434	1921	1959	38	01	03	02	02	05
435	1922	1954	32	02				08 #
436	1905	1962	57	02				28
437	1915	1967	52	01	04	01	02	00
438	1910	1968	58	01	01		02	28
439	1925	1969	44	01	04	02	02	00
440	1917	1951	34	01	02			00 #
441	1909	1954	45	01	01	01	02	00
442	1923	1968	45	01	03	03	02	00
443	1915	1965	50	01	04	02	02	01
444	1920	1970	50	01	01	01	02	03
445	1906	1968	61	02				31
446	1917	1967	50	01	01	01	02	05
447	1921	1968	47	01	03		02	05
448	1933	1963	30	02				09
449	1922	1962	40	02				24

TABULATION OF RAW DATA CONTINUED

CO. NO.	BIRTH YEAR	YEAR MADE PRES	AGE MADE PRES	LEVERAGING: YES OR NO*	LEVERAGING: NO. OF TIMES	LEVERAGING: AFTER MADE TOP OFFICER	RETURN TO PREVIOUS FIRM*	YEARS WITH CO. BEFORE MADE PRES
450	1906	1964	58	01	03	01	02	06
451	1917	1969	52	02				28
452	1917	1960	43	01	03		02	03
453	1930	1956	36	01				04
454	1902	1963	61	02	03		02	28
455	1914	1967	53	02	01		02	28
456	1909	1961	52	02				28
457	1911	1953	42	01	01	01	02	05
458	1914	1967	53	02				30
459	1917	1969	52	01	02	01	02	13
460	1910	1960	50	01	01		02	07
461	1913	1966	53	02				32
462	1911	1969	58	01	01		02	30
463	1917	1964	47	01	03	02	02	01
464	1912	1967	55	01	03		02	10
465	1921	1966	45	02				26 #
466	1919	1969	50	02				12
467	1921	1967	46	01	05	02	02	00
468	1909	1968	59	01	01	01	02	20
469	1885	1936	51	01	02	01	02	14
470	1908	1964	56	01	01		02	27
471	1924	1968	44	02				20
472	1929	1970	41	01	05	01	02	01
473	1921	1957	36	01	03	01	02	02
474	1923	1967	44	01	03		02	19
475	99	99	99	99	99	99	99	99 #
476	1909	1968	59	01	01		02	17
477	1909	1960	51	02				15
478	99	99	99	99	99	99	99	99 #
479	1921	1968	47	01	04	03	02	08
480	1933	1961	28	02				05 #
481	1908	1966	58	02				34
482	1914	1969	55	01	01		02	07
483	1907	1957	50	01	03		02	19
484	1915	1966	51	01	03	01	02	00
485	1914	1965	51	01	03	01	02	02
486	1909	1962	53	01	01		02	29
487	1923	1969	46	01	04	02	02	00
488	1915	1967	52	01	04	03	02	12

TABULATION OF RAW DATA CONTINUED

				LEVERAGING				
CO. NO.	BIRTH YEAR	YEAR MADE PRES	AGE MADE PRES	YES OR NO*	NO. OF TIMES	AFTER MADE TOP OFFICER	RETURN TO PREVIOUS FIRM*	YEARS WITH CO. BEFORE MADE PRES
489	99	99	99	99	99	99	99	99 #
490	1914	1962	48	01	02			16
491	99	99	99	99	99	99	99	99 #
492	1914	99	99	99	99	99	99	99 #
493	1926	1966	40	02				14
494	1922	1968	46	01	03	01	02	07
495	1906	1959	53	01	01			15
496	1906	99	99	99	99	99	99	99 #
497	1924	1965	41	01	01		02	07
498	1910	1966	56	01	01		02	25
499	99	99	99	99	99	99	99	99 #
500	99	99	99	99	99	99	99	99 #

*IN COLUMNS WITH AN ASTERISK 01 MEANS YES AND 02 MEANS NO.
**99 INDICATES INFORMATION WAS NOT OBTAINABLE
#INDICATES THE CORRESPONDING ENTRY WAS NOT USED.

APPENDIX B

TABULATION OF RAW DATA
FOR ALL PRESIDENTS MADE PRESIDENT IN 1967

				LEVERAGING				
CO. NO.	BIRTH YEAR	YEAR MADE PRES	AGE MADE PRES	YES OR NO*	NO. OF TIMES	AFTER MADE TOP OFFICER	RETURN TO PREVIOUS FIRM*	YEARS WITH CO. BEFORE MADE PRES
001	1909	1967	58	02				37
006	1912	1967	55	01	04	01	02	05
012	1908	1967	59	01	01		02	30
015	1909	1967	58	02				35
022	1912	1967	55	02				33
027	1907	1967	60	02				33
041	1914	1967	53	01	01		02	00
054	1913	1967	54	01	01		02	28
062	1907	1967	60	02				38
081	1914	1967	53	01	05	01	02	00
082	1923	1967	44	01	02	01	02	01
090	1916	1967	51	02				28
107	1912	1967	55	02				32
123	1924	1967	43	02				17
130	1912	1967	55	02				33
134	1906	1967	61	02				38
135	1923	1967	44	01	01		02	19
138	1913	1967	54	01	02	01	02	00
141	1916	1967	51	01	03	03	02	00
145	1919	1967	48	01	02		02	15
147	1912	1967	55	01	01		02	20
152	1912	1967	55	01	03	01	02	04
160	1918	1967	49	02				27
172	1917	1967	50	02				22
189	1912	1967	55	01	03		02	21
203	1912	1967	55	01	03		02	12
207	1912	1967	55	02				33
215	1909	1967	58	02				30
223	1921	1967	46	01	01	01	02	00
226	1908	1967	59	01	03		02	19
232	1916	1967	51	01	02	01	02	00
237	1917	1967	50	01	04	01	02	00
248	1917	1967	50	02				28
272	1910	1967	57	02				38
277	1916	1967	51	02				27
280	1924	1967	43	01	04	02	02	00
288	1924	1967	43	01	03	03	02	00
291	1918	1967	49	01	02	01	02	00

TABULATION OF RAW DATA CONTINUED

CO. NO.	BIRTH YEAR	YEAR MADE PRES	AGE MADE PRES	LEVERAGING: YES OR NO*	LEVERAGING: NO. OF TIMES	LEVERAGING: AFTER MADE TOP OFFICER	LEVERAGING: RETURN TO PREVIOUS FIRM*	YEARS WITH CO. BEFORE MADE PRES
297	1922	1967	45	02				21
305	1912	1967	55	02				37
312	1915	1967	52	01	03	01	02	01
315	1922	1967	45	01	01		02	11
328	1911	1967	56	02				32
340	1912	1967	55	01	02	01	02	01
342	1912	1967	55	01	02	01	02	06
343	1967	1967	50	01	04	01	02	10
349	1923	1967	44	01	02		02	11
355	1925	1967	42	02				17
366	1907	1967	60	02				40
372	1918	1967	49	01	02		02	14
376	1917	1967	50	01	06	01	02	02
378	1927	1967	40	01	04	01	02	00
379	1921	1967	46	01	04		02	09
382	1906	1967	61	01	01	01	02	06
394	1920	1967	47	01	01		02	15
400	1911	1967	56	01	01		02	11
403	1919	1967	48	02				17
408	1930	1967	37	01	04	02	02	01
415	1927	1967	40	01	01	02	02	14
418	1920	1967	47	01	01		02	07
425	1932	1967	35	01	02	02	02	02
428	1935	1967	32	01	02	01	02	00
437	1915	1967	52	01	04	01	02	00
446	1917	1967	50	01	01	01	02	05
455	1914	1967	53	02	01		02	28
458	1914	1967	53	02				30
464	1912	1967	55	01	03		02	10
467	1921	1967	46	01	05	02	02	00
474	1923	1967	44	01	03		02	19
482	1902	1967	65	01	03	01	02	12
488	1915	1967	52	01	04	03	02	12

*IN COLUMNS WITH AN ASTERISK 01 MEANS YES AND 02 MEANS NO.
**99 INDICATES INFORMATION WAS NOT OBTAINABLE
#INDICATES THE CORRESPONDING ENTRY WAS NOT USED.

TABULATION OF RAW DATA
FOR ALL PRESIDENTS MADE PRESIDENT IN 1968

CO. NO.	BIRTH YEAR	YEAR MADE PRES	AGE MADE PRES	LEVERAGING: YES OR NO*	LEVERAGING: NO. OF TIMES	LEVERAGING: AFTER MADE TOP OFFICER	LEVERAGING: RETURN TO PREVIUUS FIRM*	YEARS WITH CO. BEFORE MADE PRES
003	1912	1968	56	01	02	01	02	00
026	1921	1968	47	02				21
031	1917	1968	51	02				28
032	1914	1968	54	02				31
034	1908	1968	60	01	03	02	01	21
036	1911	1968	57	02				33
038	1909	1968	59	02				35
040	1916	1968	52	01	01		02	04
043	1916	1968	52	02				27
053	1919	1968	49	01	01	01	02	13
056	1915	1968	53	02				30
065	1910	1968	58	02				38
066	1920	1968	48	01	01		02	18
069	1915	1968	53	02				31
078	1914	1968	54	01	02		02	24
085	1919	1968	49	02				22
108	1922	1968	46	01	01	01	02	07
113	1915	1968	53	02				34
121	1923	1968	43	01	06	05	02	00
122	1912	1968	56	02				33
140	1915	1968	53	01	03	01	02	00
155	1930	1968	38	01	03		02	05
157	1923	1968	45	02				22
158	1914	1968	54	01	02	02	02	00
159	1920	1968	48	02				26
164	1916	1968	52	01	01	01	02	12
165	1922	1968	46	02				22
171	1914	1968	54	02				33
173	1924	1968	44	02				16
176	1923	1968	45	01	02		02	04
192	1921	1968	47	02				21
196	1912	1968	56	02				34
202	1916	1968	52	02				27
204	1920	1968	48	01	01		02	05
208	1908	1968	60	02				39
213	1915	1968	53	01	01		02	27
220	1919	1968	47	02				22
250	1914	1968	54	02				30

TABULATION OF RAW DATA CONTINUED

				LEVERAGING				
CO. NO.	BIRTH YEAR	YEAR MADE PRES	AGE MADE PRES	YES OR NO*	NO. OF TIMES	AFTER MADE TOP OFFICER	RETURN TO PREVIOUS FIRM*	YEARS WITH CO. BEFORE MADE PRES
252	1926	1968	37	01	04	02	02	00
257	1926	1968	42	01	01		02	08
258	1908	1968	60	01	01	01	02	00
261	1910	1968	58	01	03	01	01	13
265	1923	1968	45	01	03		02	00
271	1925	1968	43	02				21
278	1919	1968	49	01	04	03	02	04
283	1920	1968	48	01	02	01	02	00
292	1924	1968	44	01	03	01	02	00
294	1919	1968	49	01	01	01	02	03
295	1922	1968	46	01	01		02	01
307	1916	1968	52	01	06	03	02	02
310	1917	1968	51	02				29
316	1916	1968	52	01	03	02	02	00
327	1915	1968	53	01	03	01	02	00
341	1915	1968	53	01	04	02	02	12
345	1939	1968	29	02				06
351	1910	1968	58	01	01		02	26
356	1908	1968	60	02				38
364	1920	1968	58	01	05	01	02	00
380	1921	1968	47	01	01		02	16
386	1913	1968	55	01	01		02	28
389	1908	1968	60	02				24
391	1921	1968	57	02				22
438	1910	1968	58	01	01		02	28
442	1923	1968	45	01	03	03	02	00
445	1906	1968	61	02				31
447	1921	1968	47	01	03		02	05
468	1909	1968	59	01	01	01	02	20
471	1924	1968	44	02				20
476	1909	1968	59	01	01		02	17
479	1921	1968	47	01	04	03	02	08
494	1922	1968	46	01	03	01	02	07

*IN COLUMNS WITH AN ASTERISK 01 MEANS YES AND 02 MEANS NO.
**99 INDICATES INFORMATION WAS NOT OBTAINABLE
#INDICATES THE CORRESPONDING ENTRY WAS NOT USED.

TABULATION OF RAW DATA
FOR ALL PRESIDENTS MADE PRESIDENT IN 1969

CO. NO.	BIRTH YEAR	YEAR MADE PRES	AGE MADE PRES	LEVERAGING: YES OR NO*	LEVERAGING: NO. OF TIMES	LEVERAGING: AFTER MADE TOP OFFICER	LEVERAGING: RETURN TO PREVIOUS FIRM*	YEARS WITH CO. BEFORE MADE PRES
002	99**	1969	99	02				37 #
007	1919	1969	50	02				22
011	1907	1969	61	02				40
012	1916	1969	53	02				31
013	1925	1969	44	02				22
016	1910	1969	59	02				37
024	1914	1969	55	01	01		02	28
027	1907	1969	62	02				35
044	1912	1969	57	01	04	03	02	01
061	1924	1969	45	01	02		02	14
076	1917	1969	52	01	03		02	04
080	1918	1969	51	01	01		02	15
081	1911	1969	58	01	05	04	02	04
084	1924	1969	45	01	07	07	02	06
092	1922	1969	47	02				22
095	1925	1969	44	02				22
109	1925	1969	44	01	01	01	02	02
110	1908	1969	61	02				31
118	1913	1969	56	01	02	01	02	19
124	1915	1969	54	01	02	01	02	04
128	1919	1969	50	02				23
130	1923	1969	36	01	01		02	09
144	1917	1969	52	01	02		02	13
147	1924	1969	45	02				20
153	1922	1969	47	01	02		02	00
154	1918	1969	51	02				23
178	1919	1969	50	02				22
180	1917	1969	52	01	01		02	27
181	1922	1969	47	02				22
185	1911	1969	58	01	01	01	02	06
199	1919	1969	50	02				31
205	1918	1969	51	02				30
212	1933	1969	36	01	01		02	07
217	1927	1969	42	02				20
234	1917	1969	52	01	02	01	02	05
240	1918	1969	51	01	01		02	25
245	1934	1969	35	01	01		02	05
246	1912	1969	57	01	01		02	28

TABULATION OF RAW DATA CONTINUED

				LEVERAGING				
CO. NO.	BIRTH YEAR	YEAR MADE PRES	AGE MADE PRES	YES OR NO*	NO. OF TIMES	AFTER MADE TOP OFFICER	RETURN TO PREVIOUS FIRM*	YEARS WITH CO. BEFORE MADE PRES
263	1919	1969	50	02				29
269	1925	1969	44	01	01	01	01	10
273	1930	1969	39	02				16
301	1921	1969	48	01	02	02	02	08
302	1929	1969	40	02				16
308	1913	1969	56	01	04	02	02	07
321	1920	1969	49	01	03	02	02	00
335	1925	1969	44	01	03		02	08
339	1916	1969	53	02				30
352	1916	1969	53	01	02	01	02	18
357	1915	1969	54	01	02		02	09
360	1908	1969	61	01	02	01	02	07
361	1916	1969	53	02				31
366	1913	1969	56	02	01	01	02	04
382	1914	1969	55	01	05	04	02	03
385	1916	1969	53	01	03	01	02	11
392	1925	1969	44	02				24
393	1909	1969	60	01	02		02	22
399	1912	1969	57	02				35
432	1929	1969	40	02				13
439	1925	1969	44	01	04	02	02	00
451	1917	1969	52	02				28
459	1917	1969	52	01	02	01	02	13
462	1911	1969	58	01	01		02	30
466	1919	1969	50	02				12
482	1914	1969	55	01	01		02	07
487	1923	1969	46	01	04	02	02	00

*IN COLUMNS WITH AN ASTERISK 01 MEANS YES AND 02 MEANS NO.
**99 INDICATES INFORMATION WAS NOT OBTAINABLE
#INDICATES THE CORRESPONDING ENTRY WAS NOT USED.

TABULATION OF RAW DATA
FOR ALL PRESIDENTS MADE PRESIDENT IN 1970

CO. NO.	BIRTH YEAR	YEAR MADE PRES	AGE MADE PRES	LEVERAGING: YES OR NO*	LEVERAGING: NO. OF TIMES	LEVERAGING: AFTER MADE TOP OFFICER	LEVERAGING: RETURN TO PREVIOUS FIRM*	YEARS WITH CO. BEFORE MADE PRES
003	1924	1970	46	02				24
006	1924	1970	46	01	01		02	11
030	1920	1970	50	01	01	01	02	02
037	1909	1970	61	02				39
047	1928	1970	42	02				24
097	1927	1970	43	01	01	02		03
127	1921	1970	49	02				20
143	1920	1970	50	01	01		02	24
146	1920	1970	50	01	02		02	19
162	1916	1970	44	02				36
167	1926	1970	44	01	05	01	02	01
177	1916	1970	54	01	03		02	16
209	1914	1970	56	02				35
213	1918	1970	52	02				39
214	1920	1970	50	01	03	02	01	10
289	1918	1970	52	02				23
292	1919	1970	51	01	01	01	02	01
320	1924	1970	45	02				23
360	1916	1970	54	01	01		02	09
421	1915	1970	55	02				33
444	1920	1970	50	01	01	01	02	03
472	1929	1970	41	01	05	01	02	01

*IN COLUMNS WITH AN ASTERISK 01 MEANS YES AND 02 MEANS NO.
**99 INDICATES INFORMATION WAS NOT OBTAINABLE
#INDICATES THE CORRESPONDING ENTRY WAS NOT USED.

APPENDIX C

SUPPLEMENTAL ANALYSIS

Introduction

As mentioned in Chapter IV, the hypotheses set forth in this research were subjected to further study. The additional analysis--though beyond the originally planned approach--was employed because the outcome of this investigation was so contradictory to the widely accepted assertions found in the literature on mobility. Moreover, it is possible that such assertions may be correct when based upon more specifically defined groups (e.g., only the largest 100 firms or only firms with a small labor force from which to select leaders). That is, the widespread claims of increasing mobility may rest upon observations which were unintentionally biased by the size of the firm or the number of employees. Then, with such biased observations as a base, some authors may have inferred a level of mobility in all organizations which was inaccurate.

It is with this possibility in mind that the following supplemental analysis of the group one and group two hypotheses was conducted. (Additional analysis of the group three hypotheses was not feasible because of the smaller sample associated with those hypotheses.)

Nature of the Analysis

The following five hypotheses were re-evaluated:

1) All presidents . . . surveyed have leveraged once, and 60 per cent have leveraged twice;

2) Of those presidents who leveraged, less than 5 per cent leveraged after becoming a top officer in a company (e.g., Executive Vice-President, Vice-President, Treasurer, or Secretary);

3) Less than 1 per cent of the presidents surveyed leveraged back to a company with which they were previously associated;

4) When compared with those presidents who did not leverage, mobile presidents had a lower average age when made president; and

5) The more frequently presidents have leveraged, the lower their average age was at the time they became president.

In re-evaluating these hypotheses, the same criteria and statistical tests explained in Chapter III were employed. However, the supplemental analysis differs in that the data were reorganized into new subsamples under two different approaches.

The first approach involved dividing all firms about which sufficient data were available into five subsamples or quintiles: quintile I representing the 88 largest firms (as ranked by sales); quintile II representing the next 88 largest firms, and quintiles III, IV, and V representing successively lower

ranked groups of 88. This approach was implemented because of the possibility that leveraging was widespread in one or more quintiles but the aggregation of the data was obscuring such situations from being detected.

The second approach was implemented for similar reasons. It was thought that mobility may be common in firms with few employees because these firms are not willing or capable of generating leaders and must resort to hiring experienced men from outside. Likewise, large firms may not promote the eager, mobile executive fast enough causing him to look for other opportunities outside the company. Whatever the reasons, the possibility existed that mobility may be related to the number of workers employed in the firm.

To test this possibility, two subsamples were created. They were composed of the 100 largest and the 100 smallest firms (when ranked on the basis of the number of workers employed).

The Results

The results of the supplemental analysis will be presented in two parts: the first part will discuss the outcome of the quintile approach and the second part will discuss the approach based upon the number of workers employed.

Quintile Approach

Hypothesis one.--As can be seen from Table 5, hypothesis one was not supported in any quintile. In no quintile did all the executives leverage once and, in every case, less than 60 per cent of the presidents leveraged twice.

Hypothesis two.--As can also be seen from Table 5, a minimum of 18 per cent and a maximum of 40 per cent of presidents leveraged after being made a top officer. Once again, this hypothesis was rejected.

Hypothesis three.--Table 5 also shows the results of the third hypothesis. Quintiles I and III reject the hypothesis since, in each case, more than 1 per cent of the executives leveraged back to a firm with which each had previously been associated. Quintiles II, IV, and V, however, support the hypothesis.

Hypothesis four.--Table 6 indicates that the difference in average ages of mobile and non-mobile presidents is not in the predicted direction for quintiles III and IV. And, although the differences in average ages in quintile II and V are in the predicted direction, they are not statistically significant. However, the difference in average ages found in quintile I is in the predicted direction and is statistically significant for a one-tailed test at the .05 level. That is, the proba-

TABLE 5

The Results of Hypotheses One, Two, and Three Subjected to a Quintile Approach Employed in the Supplemental Analysis

Hypotheses	Quintiles I	II	III	IV	V
1) All Leveraged Once	52%	58%	49%	68%	67%
Sixty Per Cent Twice	22%	33%	30%	40%	41%
2) After Made Top Officer	18%	27%	30%	40%	39%
3) Leveraged Back	2.3%	0%	5.7%	0%	0%

TABLE 6

The Results of Hypothesis Four Using the
Quintile Approach Employed by the Supplemental Analysis

Average Ages	Quintiles				
	I	II	III	IV	V
Mobiles	48.7	48.4	48.9	47.7	48.6
Non-Mobiles	52.8	48.9	48.0	47.4	50.0

bility of obtaining two distributions as divergent as the ages of mobile and non-mobile presidents by chance is less than one in twenty.

Hypothesis five.--In all quintiles, except V, the average age when made president did not decline as the frequency of leveraging increased. That is, in all but quintile V, hypothesis five was rejected completely. In the fifth quintile, the average ages did decline, but this result was not statistically significant. (See Table 7)

Large and Smaller Employers

Hypothesis one.--Although the frequency of leveraging was more common in the smallest 100 firms, neither there nor in the largest 100 firms did all presidents leverage once or sixty per cent leverage twice. Thus, as can be seen in Table 8, this hypothesis was also rejected.

Hypothesis two.--Likewise, Table 8 shows that hypothesis two was not supported because the frequency of leveraging after being made a top officer was considerably more than the five per cent hypothesized.

Hypothesis three.--Table 8 also reveals that the percentage of presidents who leveraged back to a firm with which they were previously employed was twice the hypothesized frequency of one per cent.

TABLE 7

The Results of Hypothesis Five Using the Quintile Approach Employed by the Supplemental Analysis

Frequency of Leveraging	Quintiles				
	I	II	III	IV	V
1	48.8	46.0	49.0	48.2	50.2
2	45.1	51.1	48.3	51.8	48.9
3	47.3	49.1	50.8	48.7	47.1
4	59.0		48.7	48.9	46.9
5		44.0	45.0	56.5	43.5
6	58.0	50.6		51.0	
7	45.0		45.0		

TABLE 8

The Results of Hypotheses One, Two, and Three Based on the Numbers of Workers Employed

Hypotheses		Size of Corporation	
		Large	Small
1)	All Leveraged Once	49%	65%
	Sixty Per Cent Twice	20%	36%
2)	After Made Top Officer	22%	33%
3)	Leveraged Back	2%	2%

Hypothesis four.--Table 9 indicates that mobile presidents in large firms achieved that position 2.75 years sooner than their non-mobile counterparts. Moreover, this finding is statistically significant at the .02 level for a one-tailed test. For the smallest 100 firms the difference in average ages was not in the predicted direction.

Hypothesis five.--Table 10 shows that the fifth hypothesis was not supported since the average age of presidents did not decline as the frequency of leveraging increased.

Conclusions

With a few exceptions, the preceding supplemental analysis failed to support the hypotheses set forth above. However, the three hypotheses which did prove at least partially supportive may provide some guidelines for further inquiry.

Among the three hypotheses which lent some support to the hypotheses, it does appear that the observation of three quintiles containing no executives who leveraged back to a previous employer is very likely the result of chance. However, the other two supporting results--which were statistically significant at the .05 level or better for a one-tailed test--do seem related. Although the first significant result was based upon the quintile approach and the other significant

TABLE 9

The Results of Hypothesis Four
Based on the Numbers of Workers Employed

Averages Ages	Size of Corporation	
	Large	Small
Mobile	48.3	48.2
Non-Mobile	51.1	47.7

TABLE 10

The Results of Hypothesis Five
Based on the Number of Workers Employed

Frequency of Leveraging	Size of Corporation	
	Large	Small
1	45.5	49.8
2	46.0	42.8
3	46.7	50.1
4	55.0	49.5
5	58.0	45.0
6	58.0	52.0
7	45.0	

outcome was based upon the number of workers employed, it is interesting to note that both results point to a statistically significant, lower average age, for mobile presidents among very large firms. Moreover, this observation appears valid whether one is classifying firms on the basis of sales or number of workers employed. That is, if leveraging is useful anywhere, it would appear to be most useful in the largest industrial corporations. However, it is also interesting to note that in the largest corporations (classified by sales or employees) the frequency of executives who have leveraged after being made a top officer, who have leveraged only once, or who have leveraged twice or more is lower than in their smaller counterparts.

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William Blanchfield Werther, Jr. was born April 11, 1947, in New York City. He moved to the Cape Kennedy area in 1957, and remained in that area until completing his work at Brevard Junior College in 1966. In 1968, he received his Bachelor of Science in Business Administration with high honors from the University of Florida. Continuing his study of management at Florida, he received a Master of Arts the following year.

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I certify that I have read this study and that in my opinion it conforms to acceptable standards of scholarly presentation and is fully adequate, in scope and quality, as a dissertation for the degree of Doctor of Philosophy.

William V. Wilmot, Jr., Chairman
Professor of Management

I certify that I have read this study and that in my opinion it conforms to acceptable standards of scholarly presentation and is fully adequate, in scope and quality, as a dissertation for the degree of Doctor of Philosophy.

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